

LIFE INSIDE NORTH KOREA

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BEFORE THE
SUBCOMMITTEE ON EAST ASIAN
AND PACIFIC AFFAIRS
OF THE
COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE
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THURSDAY, JUNE 5, 2003

U.S. SENATE,
SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 1:34 p.m., in room SD-419, Dirksen Senate Office Building, Hon. Sam Brownback (chairman of the subcommittee), presiding.

Present: Senator Brownback.

Senator BROWNBAC. This hearing of the Foreign Relations Subcommittee on East Asian and Pacific Affairs on "Life Inside North Korea" will come to order.

I would like to begin by thanking the chairman of the full committee, Senator Lugar, and his staff for guidance and input on this very complex issue.

Our first panel will feature Andrew Natsios who comes to us as Administrator of the U.S. Agency for International Development. Welcome, Mr. Natsios. In that capacity, Mr. Natsios oversees the considerable food aid made available by the United States to the rest of the world, but Mr. Natsios is also the author of the book, "The Great North Korean Famine," and is a most available source of information on the challenges facing average North Koreans fighting for survival. So he comes not only as an administration official, but also with considerable expertise on North Korea, and we are delighted to have you here.

On the second panel, we have someone who can provide an important firsthand account of life inside North Korea. Ms. Hae Nam Ji is a survivor of the North Korean prison system, and after some time in China came to South Korea where she now resides. She has faced unimaginable horrors, and we appreciate her courage in sharing her story with us today.

The third panel will feature a series of experts, and I am sure we will receive a wide range of information about conditions inside North Korea from that panel.

Let me begin by describing today's hearings by explaining what it is not. This is not about nuclear power plants, weapons of mass destruction, drug-running, or proliferation, or threats from Pyongyang, though each of these issues are of vital importance.

Today's hearing focuses on something often overlooked, but just as significant: life inside North Korea. Today's hearing will provide a glimpse as to what goes on inside the most closed society on Earth.

This hearing comes at a particularly important time. One year ago, the world watched dozens of North Korean escapees overcome considerable odds and gain freedom at various diplomatic missions in China. Since that time, North Korea has admitted to possessing nuclear weapons and has threatened both its neighbors and the United States with war.

Today's hearing helps to ensure that North Korea cannot use its bellicose rhetoric to obscure its true nature from the world. As I have said before, North Korea's is today's "killing field," a place where repression, deprivation, and depression rule the day.

There are, as best as anyone can tell, as many as 300,000, perhaps as few as 30,000, North Koreans living in hiding in northeast China. At a hearing last year, Senator Kennedy and I explored this issue in great detail. I believe that today we can both extend and expand what was started that day. There is much to expound upon regarding this topic; however, we want to do our due diligence by exploring all angles of the situation inside North Korea.

First, some 200,000 North Koreans languish inside North Korean prison camps, gulags. Satellite photos corroborate the testimony of survivors. North Korea's gulag recalls the horrors of the Soviet Union under Stalin. Beatings, assaults, abuse, malnutrition, forced labor, death are the threads that always seem to link the story of one survivor to another.

Second, the strange and contradictory principles of so-called socialism and the near worship of the Kim dynasty place great constraints on North Korean society. This is a world of suspicion where even a perceived slight against the government can mean a prison sentence.

Finally, millions of North Koreans died of starvation during the severe famines of the 1990s. Those deaths have as much to do with incompetence and, one might easily conclude, indifference from the government and government policies as they did with natural floods and natural disaster. While the nation has recovered from the depth of its famine, millions continue to go hungry and are fed by international food donations. With a defunct national food distribution system, the North Korean people can only hope that international food aid will arrive and feed them before it is diverted to North Korea's bulging Armed Forces.

North Korea policy experts often debate whether North Korea will soon collapse. To date, Kim Jong-il has regrettably defied several predictions of his government's demise. The Kim dynasty could end tomorrow or it could survive the decade. But one thing is clear: We cannot turn our back on millions of suffering North Koreans while we wait for real change to move north of the DMZ.

There are those who would argue that we must first resolve our outstanding security concerns with North Korea before we discuss the North Korea regime's internal behavior and how we should treat North Korean refugees coming out. I believe this approach is short-sighted. It is the regime in Pyongyang which spews nuclear threats at the rest of the world. It is that very same regime which spawns an exodus of its own citizens hoping to escape the depravity and death of their homeland.

Our North Korea policy must not only protect our interest in East Asia but support the cause of freedom across the entire Ko-

rean Peninsula. In the end, a brighter, fuller, free, and open Korean Peninsula is our ultimate national interest.

Mr. Natsios, we are delighted to have you here at this hearing today as the administration witness, as the Administrator of the U.S. Agency for International Development, but also as an expert on North Korea and what is taking place in North Korea to the North Korean people. I look forward to your testimony and questions.

I might announce ahead of time that you have a prior commitment with the Appropriations Committee, and I always understand those conflicts, now that I've gone on the Appropriations Committee, and that you'll have to leave at about 5 minutes to 2. So we will try to conclude by that time.

Welcome to the committee and the floor is yours.

**STATEMENT OF HON. ANDREW S. NATSIOS, ADMINISTRATOR,
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, WASHINGTON, DC**

Mr. NATSIOS. Thank you, Senator Brownback.

What I would like to do is submit my testimony for the record—

Senator BROWNBACK. Without objection.

Mr. NATSIOS [continuing]. And make five or six points quickly, and then leave some time for questions and answers. I think this might be more productive in terms of getting more information out.

I became involved with North Korea as a result of my position as a senior executive with World Vision and as a leader of the Emergency Relief Committee of Interaction, which is a consortium of American NGOs in the city. That began in the fall of 1996, but accelerated in 1997 and 1998. I took a fellowship at USIP after I left World Vision in June 1998 for 8 months to write this book.

When I was with World Vision in June 1997, I went to North Korea for a week, but I really could not tell what was going on based on the fact that it is a police state and it is very difficult to tell what is going on from inside the country. I am convinced, if you really want to find out what is going on, you need to talk to defectors and refugees and cross reference their testimony to make sure you get an accurate picture.

So I went up to the North Korean border with a Buddhist monk friend of mine, the Venerable Pomyong, who is a South Korean Buddhist monk who heads Good Friends. It used to be called KBSM, the Korean Buddhist Sharing Movement. He had a network at the time—he no longer has it, it has been dispersed by the Chinese police—that helped refugees, and he had extensive networks that allowed us to conduct interviews. I interviewed 25 North Korean refugees for about 3 hours each in December 1998. And my conclusions are based on that research, as well as research I have done since.

There are essentially five principles that describe the way in which the North Korean Government treats its people and why they behave the way they do internally.

The central operating principle that drives all of the decisions of the central government is regime survival. The two best friends of Kim Jong-il and Kim Il-sung, his father who died in the mid-nine-

ties, were Honecker, the Communist dictator of East Germany, and Ceausescu in Romania. You know what happened to the two of them. Ceausescu and his wife were executed by the military in a coup called the Revolution, and Honecker went on war crimes trials after his regime fell when Soviet support was withdrawn. There is a terror in the senior leadership of North Korea that the same thing is going to happen to them. So Kim Jong-il has been quoted as saying, to defectors whom I interviewed, we must maintain control at all costs or this is going to happen to us.

The second proposition is that it is very difficult to tell what is going on in North Korea because they maintain a level of control that is far beyond almost any totalitarian dictatorship of the 20th century. In the Soviet Union, there was a whole underground movement. There was an underground church movement. There was Samizdat literature, which was Xeroxed and spread around. There was a huge black market that existed after Stalin died that in fact made the country marginally functional and allowed some space for people to live. That does not exist in North Korea. At least, it did not until the mid-nineties. There are fissures in the state apparatus of terror that have appeared since the famine which traumatized North Korean society far more than anybody realizes.

My expertise is really not in North Korea per se. I have learned a lot as I was researching this. My expertise is in famine. This was a great famine. It killed about 10 percent of the population, 2.5 million people. My friend, the Venerable Pomyong, thinks it is close to 3.5 million. As time has gone on, I think my figure is conservative, to be very frank with you.

Ten percent of the population of the country died a slow and painful death in such horrible ways, with mass graves all over the country, piles of dead bodies in the railway stations, refugees crowding along the border—I actually saw dead bodies on the riverbanks of the Tumen River. It is the Yalu and Tumen Rivers that divide China and North Korea. I was told once by someone, an intelligence agency that will remain nameless, there was no evidence of mass graves. I watched a mass burial. Twenty-five bodies were dumped into a large pit. We had binoculars. We were looking right on the border, across the river into one of the large cities on the river. This was a large cemetery. It was on a mountainside overlooking the Tumen River. And we watched the burial take place. There was a large pit and about a couple dozen men took these bodies off a truck, dumped them into the grave, then it looked like they were praying or something, and they started dumping the dirt in. And South Korean and Japanese TV have photographed mass graves along the river. So it is no secret.

No one in a Confucian society would bury people in a mass grave unless they were displaced and no one knew who they were. That is why they were buried there, we conclude, from the customs of North Korean society. They died trying to escape. They probably came up from the south somewhere, they died along the border, and they were buried in these mass graves, which are all along the border area.

The third proposition is that system that crumbled in the mid-nineties was essentially, we'll give up all our freedom and private

life, in exchange for which you will take care of us from our cradle to our grave. That was sort of the unspoken, unwritten compact that existed in North Korean society. The problem is now you give up all your freedom and you get nothing in return because the public services that did exist up until the mid-nineties have virtually collapsed. The health care system has collapsed. Large portions of the schools have collapsed as educational institutions, particularly for the poorer classes of people in society. Concerning the public distribution system, they have virtually announced that it does not function effectively anymore in much of the country. It does exist still in the capital city for people in defense industries that produce something of value that they can export, and for the party cadres and the military. The military has a separate rationing system in the public distribution system [PDS]. The PDS may exist in name. It has not existed as a food rationing system since the mid-nineties.

Pomyong did 1,600 interviews through his organization. These were extensive interviews which were done in a very careful manner. The data shows a dramatic collapse. They went from 60 percent of the population that was supported by the PDS in the early 1990s to about 7 percent in the middle of the famine. So you can see a dramatic drop in the PDS support levels.

The fourth proposition is that Kim Il-sung did have widespread support. He was able to do this because they controlled all information. It was a totalitarian dictatorship, but the cult of personality did work. It does not work anymore, and I think the famine has a lot to do with this.

I had an interview with someone who said the only people that survived in his village—it was in the northwestern part of the country—survived as a result of going to China to live during the famine, bringing food back, or at least regaining their health on the markets. What they said was that without the coping mechanism of moving into China, none of them in the village would have survived. Everybody who refused to leave died in the famine, in this particular village.

The movement of people in China collapsed the lie that was given to the North Korean people about life outside because the North Korean people are told that, while they are suffering, the world outside of North Korea is in the middle of a civil war and a famine so horrible you cannot even imagine it.

I went through rural China. I was astonished at the prosperity. In very remote areas at night, you would see in people's windows the television on in people's homes. This is a very prosperous farming area. These North Koreans remember the stories from the Cultural Revolution where people were dying during the Great Leap Forward from 1958 to 1962 in China where 30 million people died of starvation, in the worst famine in recorded history. They remember the Cultural Revolution, the civil war that took place during that period. It was virtually a civil war. And they thought it was still going on until they went to China and saw that people are well-fed. There is no hunger in that area of China that I could detect anywhere. It was extremely prosperous by Chinese standards.

And the North Koreans saw it and said, "They have been lying to us all these years. They have been lying to us." And they went back into the country, and they told me what they said. "We told

everybody in the village this is all a lie. We have been told we are better off. We are not better off. We have been told that China is in the middle of a civil war and a famine. It is not true. They are not."

"And more importantly," these refugees told me, "we found out that South Korea is far richer than China. It is a Western industrialized society. It is very prosperous and we are dying while they live as kings in South Korea because of the fact they have accepted capitalism and democratic governance."

The final thing I want to say is that the famine has caused irreversible changes to the old order. While the regime did attempt in 1999, once the famine was over, to return to the old order, they could not do it. It was impossible to reconstitute the system the way it existed before. Why is that?

One, it is because of the economic collapse of the society. The subsidies from China and Russia ended in the early 1990s, and that was the steady collapse of the economy that the country is still suffering from.

The second reason is the famine traumatized the society to such an extraordinary degree that it will be in the historic memory of the society for a very, very long time. It is not simply the hunger. It is the fear of a return to that, and I would argue that once you go through a famine, you can never go back psychologically.

Anyway, those are my comments. Now I have used most of my time up. So a few minutes for questions.

[The prepared statement of Mr. Natsios follows:]

PREPARED STATEMENT OF HON. ANDREW S. NATSIOS, ADMINISTRATOR, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Chairman Brownback, Members of the committee: It is an honor to be here today to discuss "Life Inside North Korea." As you may know, during the North Korean famine I have researched the living conditions of the average North Korean for many years with a particular focus on their food security. I have traveled inside the country, visited the border areas in China, and interviewed North Korean refugees in a number of countries.

My testimony will be based on five propositions about the nature of the North Korean regime and the way in which it controls North Korean society.

- The central operating principle which drives all of the decision making of the North Korean government is regime survival and protection of the system which supports it at all costs because the leaders believe that reforming the system could lead to its collapse.
- No totalitarian regime of the last century has exercised a greater degree of absolute control over its society than the North Korean government, though cracks began to appear in the state apparatus of terror beginning in 1996 because of economic collapse and the famine crisis.
- The unwritten and unspoken compact prior to the famine was that the people surrendered their freedom in exchange for which the state agreed to care for them, heavily tempered by political loyalty, from cradle to grave. This compact began to crumble by 1996 as virtually all public services including the food distribution system collapsed except those serving the party cadre, the security apparatus, and the capital city.
- While the regime under Kim Il Sung had widespread public support prior to the crisis of the 1990s, the famine, the collapse of services, and the rise in the human misery index have meant a substantial decline in public support even among the party cadres for Kim Jong Il and his government, which now more than ever relies on the state security apparatus and military to maintain control.

- The economic crisis of the 1990s, which led to a famine that killed more than 2½ million people, or 10% of the population of the country, has caused irreversible changes to the old order and the system which supports its.

It is a fact that no government in the world is more reclusive, more suspicious of contact with the outside world, more isolated, and more devoted to absolute control and secrecy than North Korea. This fact makes it difficult, but not impossible, to develop an accurate understanding of conditions in the country. We now have more information on life in North Korea than at any time in the recent past. Extensive reporting is available, from a wide variety of reputable sources, which paints a consistent and all too clear picture of the Orwellian society that exists in North Korea today. Human Rights Watch, Jasper Becker's research and reporting on the famine, Good Friends (a South Korean Buddhist nongovernmental organization), Amnesty International, Johns Hopkins School of Public Health, Doctors Without Borders, and Action Contre la Faim, among others, have reported extensively on their direct experiences in the country and on the results of interviews with North Korean refugees and defectors. Additional evidence exists in professional journals and an increasing number of private books which describes in great detail the lives of specific individuals who have lived in North Korea.

There are apologists for the North Korean government who contend that the regime in North Korea is not as repressive, controlling, and brutal as I am about to describe. They are wrong. North Korean refugees have often described their country as one massive prison.

EVERY ASPECT OF LIFE CONTROLLED

Mr. Chairman, life in North Korea today is less free and less humane than life in any other country now or in modern time. Every aspect of life is controlled and every bit of individualism destroyed. This is not simply the result of a totalitarian regime. There have been many totalitarian regimes that have aggressively, even brutally, controlled their citizenry. Upon review, however, most other recent totalitarian regimes have allowed some measure of private freedom in the lives of the people if they avoided dissent and did not threaten the political system. In the case of North Korea, we have no evidence of underground dissent, as there was in the Samidazat literature in the Soviet Union, for example. Buddhism and Christianity have been virtually destroyed as religious institutions in the country.

On March 31, 2003, the State Department's Bureau of Democracy, Human Rights, and Labor released its country report on human rights practices for North Korea. That report provides an accurate and balanced description of life inside North Korea today, and I strongly support its findings.

In order to convey the true horror that is life in North Korea, I would like to discuss a number of aspects of the North Korean regime that help explain the extent to which all aspects of life are controlled and regulated.

THE POTESKIN VILLAGE SYNDROME

When discussing the regime's control over the population of North Korea, many people cite the surveillance and monitoring capability of the large military and security service apparatus. While it is true that these organizations have their eyes and ears imbedded throughout the country, it is not these physical controls that give the regime its power over the population. The regime in North Korea derives the vast majority of its influence over the minds and hearts of the people through its absolute control and manipulation of all information made available to the local population. By controlling what a person hears, reads, and sees, one controls what he or she thinks and believes.

In North Korea, all aspects of the media are controlled completely by the regime. Newspaper, radio, and television reporting are all centrally managed and convey only the messages that the regime condones. Radios and televisions in the country are built to receive only State approved stations, and any attempt to modify a set to receive foreign broadcasts is a criminal offense. A system of travel permits modeled after Stalinist Russia restricts the movement of people outside their villages. Even travel between counties and provinces by individuals is severely restricted to prevent the transfer of information between different groups in the country. As an example of how restricted the travel of North Koreans within their own country can be, the United Nations World Food Program (WFP) staff have reported that, on many of their monitoring visits throughout the country, their handlers reveal that the trip is their first visit outside the county where they lived.

Today in North Korea, maintaining control of information remains of paramount concern to the regime. In fact, given the informational contamination that has been precipitated by the humanitarian crises over the last eight years, regaining control

of the population's access to information has taken on new importance. Since the mid 1990s, the flow of international food assistance has been accompanied by international staff who insist on following the food for monitoring purposes. In addition, beginning in 1997, the United States insisted on labeling each bag of U.S. food donated to North Korea with the phrase in Korean "gift of the people of the United States." By some estimates, there are over 30 million Korean-marked bags circulating around North Korea. Each visit by a foreign humanitarian monitor and each food aid bag distributed around the country represent informational contamination that requires an explanation by the regime. In the case of the food bags, refugees have reported that the U.S. food aid is explained as reparations for damages caused during the war.

It has also been suggested that the aversion of the North Korean regime to providing greater access and more random monitoring for humanitarian workers has little to do with military security—which is the regime's excuse of record. Instead, broader access around the country and the more random monitoring of humanitarian deliveries are believed to concern the regime because it would lack the means to control the flow of information that the expansion of these systems would induce.

FOOD ALLOCATION AS A SYSTEM OF CONTROL

In North Korea, a "public distribution system," or PDS, was used to provide both food and many material needs to the majority of the population. In addition, the PDS was used to promote loyalty to the regime and prevent or limit the travel of the population. In their book, *North Korea after Kim Il Sung*, Henriksen and Mo state that, "*Food ration levels were traditionally determined by a combination of social rank, the importance of one's profession to the state, and political status.*" The ration system promotes loyalty to the regime, as any misconduct, real or perceived, could result in demotion to a lower rank of the scale and thus less food for the individual. The ration system severely regulates the desire of the beneficiaries to move around the country as the beneficiaries must be present at their local PDS station to receive rations.

The collapse of the PDS, except for the party elite, capital city, security apparatus, and the defense industries, has meant that this means of controlling behavior has declined in importance. The collapse of the PDS, which the central authorities were unable to reverse, was finally acknowledged when the authorities announced in 2001 that people were responsible for feeding themselves (except for the groups mentioned above).

Since 1995, when the international community began providing food assistance to North Korea, the needs of the most vulnerable groups—presumably those among the lower ranks of the food system—have been the focus of international aid. Unfortunately, there are increasing reports that the most vulnerable are not receiving the international assistance despite the best efforts of the international community.

On March 9, 2000, the nongovernmental organization, Action Contre la Faim (ACF), issued a report explaining its decision to withdraw from North Korea. ACF had been working in North Korea since January of 1998, attempting to provide humanitarian assistance to the most vulnerable in the country. One major justification that the organization cited for closing its program was the regime's denial of access to the most vulnerable people. The ACF report stated:

By confining humanitarian organizations to the support of these state structures that we know are not representative of the real situation of malnutrition in the country the authorities are deliberately depriving hundreds of thousands of truly needy Koreans of assistance. As a consequence any humanitarian assistance provided is only helping the populations which the regime has chosen to favour and support, and which are certainly not the most deprived.

Today, the United States is leading the international community in its efforts to address some of the programmatic deficiencies that undermine the credibility and effectiveness of the international food aid activities in North Korea. The UNICEF and WFP-sponsored nutrition survey in North Korea that was completed in November of 2002 clearly shows that there are no longer famine conditions in the country. The survey also shows that, while the nutritional situation has improved in the country in the aggregate, the improvements are uneven and focused predominantly in the areas in and around Pyongyang and Nampo. Both the Pyongyang and Nampo districts have malnutrition rates about half as high as some of the northern provinces. As a result, current and future food aid activities will require greater access and monitoring capabilities to ensure proper targeting and delivery of food assistance to those most in need.

HEALTHCARE

The healthcare system in North Korea has been in a steep decline since the beginning of the 1990s. Without the economic support from the Soviet Union, the ability of the regime to purchase medicines and maintain the medical infrastructure immediately began to fail. Today, notwithstanding a relatively well trained staff, the healthcare system in the country has all but collapsed. Only the elites at the highest level have access to modern medical care. Today, the only access that the average North Korean has to modern medicine is either through the black market or, if extremely lucky, through international assistance programs. Generally, herbal or traditional medicines are used by the average North Korean, unless they have the financial capability to purchase the needed medicines from the black market.

Following visits to hospitals in North Korea, international aid workers have reported that even the larger regional hospitals have no regular electricity, little or no medicines, and no functioning modern medical equipment. Smaller hospitals are even less equipped. Only those medical facilities that receive direct assistance from international aid agencies can be expected to have any resources to address the medical needs of the local population.

As a result of the almost total lack of modern healthcare and poor water and sanitation systems in North Korea, the country is a breeding ground for communicable diseases. Currently, tuberculosis, malaria, and hepatitis B are considered to be endemic to the country, and other diseases if introduced into the country could have a devastating effect on the population. In particular, the possibility is great that SARS will enter the country through the porous border with China. The regime is making strenuous efforts to restrict the movement of people into the capital city via air, including a 10-day quarantine for every traveler to Pyongyang. However, similar measures are not being undertaken at land crossings. If the disease takes hold, the impact would be tremendous.

CONCENTRATION RE-EDUCATION CAMPS

The regime in North Korea operates approximately ten concentration or “re-education” camps for political prisoners. The Far Eastern Economic Review has published satellite photographs of one camp that is estimated to hold as many as 50,000 people. The ten camps are estimated to hold between 200,000 to 250,000 prisoners in total. The regime uses the camps to punish anyone who fails to adhere strictly and completely to every “law,” but arrest and confinement can come at any time with no explanation. In some reports, people have been arrested and detained for years for failing to show appropriate respect to the “Great Leader” or the “Dear Leader.” In other cases, entire families have been arrested because flaws have been found in their family history.

The camps differ in that each serves a specific type of prisoner generally ranging from those considered “redeemable” to those who are “expendable.” Those who are redeemable are often released after a number of years of hard labor and re-education. Expendable prisoners are never expected to leave the camp and usually die of malnutrition, exhaustion, and abuse. Two recent books provide graphic explanations of deplorable conditions in the more “lenient” re-education camps: *Aquariums of Pyongyang* by Kang Chol-Hwan and *Eyes of Tailless Animals* by Soon Ok Lee. Torture is widespread along with gradual starvation from the minimal food rations.

ATTEMPTS AT ECONOMIC REFORMS

In June of 2002, the regime in North Korea introduced a number of economic reforms. These reforms, which included raising the prices of staple food commodities, increasing wage rates, and devaluing the Won, were apparently intended to stimulate the agricultural sector and promote increased industrial productivity.

Unfortunately, the reforms instituted by the regime in North Korea have not improved the economic situation in the country. As Bradley O. Babson stated in his report, *Economic Cooperation on the Korean Peninsula*, “the reforms are not sufficient to assure a turnaround in DPRK’s economic crisis and even add new risks, particularly the risk of inflation.” While the risk of inflation as a result of the reforms is significant, the humanitarian community is more concerned about the large segments of the population who have seen their ability to support themselves decline or disappear. As the World Food Program points out in its 2002 report on its operations in North Korea, “Surplus labour created by a reform-induced drive for industries to become more efficient is supposed to be redeployed by the state and continue receiving a salary. However, . . . there may be insufficient capacity to absorb a potentially significant labor force.” Recent reports indicate that unemploy-

ment and underemployment particularly in the northeastern parts of the country are a significant and growing problem. Obviously the unemployed do not receive a salary and therefore are incapable of taking advantage of any "improvements" in food availability. In addition, the agricultural system remains mired in the collective farms, and thus higher food prices have not resulted in increased food production.

Mr. Chairman, it is astonishing to me that the international humanitarian and human rights community, which has been so outspoken in its condemnation of human right violations in countries like Burma and Sudan, has been so late in acknowledging the reality of life in North Korea and the nature of the regime. The President has reversed this relative international silence on what the North Korean regime is really about in his many comments on North Korea and through the aggressive reporting of the State Department (Democracy, Human Rights and Labor Bureau reports).

We will continue our efforts at every opportunity to publicize the true nature of the North Korean government and, through our humanitarian programs, to effectively and transparently address the most urgent needs of the people. Since 1995, our humanitarian programs have provided almost two million tons of food aid to North Korea, valued at approximately \$650 million.

Mr. Chairman, this concludes my testimony. I would be pleased to answer any questions the committee may have.

Senator BROWNBACK. Do you believe that the Kim Jong-il regime is near to collapse at this point in time, given the factors that you have articulated?

Mr. NATSIOS. I do not. I think the regime has been substantially shaken to its very roots, but there is no evidence that they are on the edge of collapse right now from what I can see. I believe if they go into another famine, the country will be destabilized.

We have evidence of three attempted coups or planned coups that were discovered by the regime. I discovered one, which I report in my book. I have discovered two since then. These were small things, but it is pretty clear that they took place or were attempted. All the people involved were taken out and shot. I had a defector actually tell me a friend of his watched the 24 officers being taken out of a building and executed right on the spot for having gotten involved in the coups. It was in Hamhung City and it was at the height of the famine that this first coups took place, though there was unrest in the people's army as a result of the coups. The people's army is so large it meant that a large number of families had soldiers in them whose family members had died in the famine.

The same thing happened in China in 1962. The reason the Great Leap Forward famine ended, and Mao reversed himself, is because there was a secret party document that said there is going to be a coups or a mutiny in the people's army of China unless you stop this famine, because it is causing unrest. When people go back to their villages and see everybody dying, they go into a rage. It is affecting morale and there is going to be a revolt. And Mao reversed himself. The same thing, I am convinced, took place in North Korea.

The difference is Mao did not know until later that the famine was taking place. People lied to him. Kim Jong-il knew the famine was taking place from the beginning. He was given regular reports. He wanted to know how many people died. He tracked the whole thing. In fact, they kept a food distribution that basically appears to have fed the people who were in the elite class that ran the country or people whose loyalty was not questioned. The people

who came from a questionable background or were disloyal or former prisoners who survived the gulag, they died.

Senator BROWNBACK. I understand that there is a huge gulag system and that at the same time, the regime imports, while its people are starving, luxury tobaccos, wines, luxury cars. Is that true? Is that taking place, that the elite in the regime are living very high?

Mr. NATSIOS. Well, I took a Mercedes Benz when I was with World Vision from the airport to the hotel where we were staying. It was a new model and it was very nice. There is a report that a large shipment of Mercedes Benz did go to North Korea during the famine. One shipment was sent back because they would not deliver the check before it arrived. A lot of Western businesses had had trouble. They would deliver the stuff and never get paid. So many of them realize now if you want to get paid, you have to get the check before the stuff arrives. But another shipment did arrive. Apparently they paid the money from some source, and it arrived.

There is clearly the case that the elites at the top levels of the cadre live a very prosperous life. There is evidence from the famine in the northeastern region, which is where it was most severe, that even cadre members died. We estimate that about 50,000 Communist Party cadre members died, but they were at the lower levels. These are not the upper elites.

It is a highly class-conscious society and there were 62 categories of people in a hierarchical order, almost in the Confucian sense of one order being subordinate to the other. In the upper reaches of that order, people live very, very well.

Senator BROWNBACK. Mr. Natsios, I would ask if the administration could consider releasing information that it has, to the degree it can, on the gulags, on the lifestyle of the people higher up, and on the system and the famine. I think this would be very illuminating to people to see and to hear and to understand. This is the sort of information that I am receiving from interviews of refugees. We will have people here today to talk that are refugees or people that have been able to find their way out and to show here is what is happening to the North Korean people. To the degree that the administration could release some of that information that you have that has not been released, I think it would be very helpful in showcasing to the world how horrific the people in North Korea live.

Mr. NATSIOS. Two final comments before I excuse myself. The first is that here is a book written by someone who was in a gulag for 10 years. It is called "Aquariums of Pyongyang," and it is a powerful book, very riveting book. It was written by a French human rights specialist but dictated by this young man who spent 10 years with his family in the gulag. It describes how he survived.

I want to just add one last thing. I keep reading in the news media that the country is on the edge of famine. There is mass starvation. The famine ended, in terms of high levels of mortality, in the spring of 1998 and it has not returned. They have liberalized prices in an attempt to go to a market economy. They did not liberalize the rest of the system. So they have very high food prices in the farmers' markets where most of the people eat now, and people's salaries have not gone up, which they promised they would

do, to meet that need. And more importantly, while food prices have gone up, they have not privatized the agricultural system. So there is no incentive to produce more food because it is still a state-run collective farming system.

But there is no famine. Is there misery? Yes, absolutely. Is there hunger among the lower classes in North Korean society? Hunger remains a terrible reality. But we are not seeing any evidence of mass starvation in North Korea. The apocalyptic statements by some organizations about that are grossly misinformed and, I think, are not serving the international humanitarian system properly because we do not always have enough humanitarian relief to go around. Sending food where you really do not need it does not make sense.

There are parts of North Korea, in the northeast particularly, which remain food-insecure in even a good year, and there are areas among the lower classes where there is hunger and a need for a modest response. But we do not need to have a famine response in a country that is not in the middle of a famine.

Senator BROWNBACK. There was a recent committee hearing about drug-running being done by the North Korean Government, state-run poppy farms. Is that accurate?

Mr. NATSIOS. We could not figure out why farmers I interviewed said they had a third of their land in their villages not farmed. There is a certain Korean word they used, and Pomyong and I could not figure out why land would be unfarmed. I found that out recently. The term in North Korea means the land is put aside for poppy production. They shrewdly substituted a word meaning fallow land for poppy production. So it is actually state-managed, state-run, and there is an allocation made in the state farms for actually producing poppy. It is not illegal. It is encouraged.

Senator BROWNBACK. Thank you very much, Mr. Administrator.

The next witness will be Ms. Hae Nam Ji. She is a North Korean escapee that I am pleased will be testifying.

As she comes forward with her interpreter, I would like to introduce to the people here a group of South Koreans who are here who have family members who were abducted by North Korea sometime during or after the Korean conflict, and these are people that represent organizations and they themselves have had family members abducted by North Korea and who have not been returned. If I could, I would like to have those people stand who are here representing those abducted from South Korea. Could you please stand?

We are pleased that you would be willing to come in. Earlier today I was able to meet in my office with this group of individuals who have had family members abducted by North Korea and not returned.

They were noting to me—and I thought this was very important—that the abduction of the Japanese by the North Koreans had received a great deal of international notoriety, but the abduction of South Koreans by North Korea has not. There were some 80,000 abducted during the Korean War and since then there are documented about 485, I believe, 486 that have been abducted from South Korea by the North Koreans and not returned. Now, several

have been found and have surreptitiously been taken back out of North Korea.

But this group is to be recognized and commended for their staying with this and drawing attention to this issue of their family members being taken, many for 20 to 30 years and not heard from since and then put in supposedly horrific conditions in North Korea, but they have not heard from them. So I appreciate very much your attendance here at our hearing today.

The next witness, as I stated, would be Mrs. Hae Nam Ji. She is an escapee from a North Korean prison camp. She will have an interpreter give her statement. I am delighted to welcome you here to the committee, and the floor is yours to testify.

**STATEMENT OF MRS. HAE-NAM JI, NORTH KOREAN ESCAPEE;
ACCOMPANIED BY T. KIM, INTERPRETER**

Mrs. JI. Mr. Chairman, I would like to first thank you for giving me this opportunity to talk and give testimony to the real state of affairs in North Korea.

Due to the restriction in time that I have to testify before you, I would like to submit my prepared statement in its entirety, and I would want that you accept that statement.

Senator BROWNBAC. It will be accepted and put into the record.

Mrs. JI. I was born on May 17, 1949 in Namun-ri, Hamhung City. During my grown-up, adult life, I worked as a North Korean propagandist specialist.

While I was working as a propagandist specialist for the North Korean Government, I was charged of violating their law which I didn't think reasonable at all, that was, I sang a foreign song which I was not allowed to do. For that crime, I was prosecuted without trial and I was made subject to sexual harassment and torture, and those pains and trials, ordeals that I am going through are beyond human description.

Senator BROWNBAC. Could I ask you? It was for singing a song, did you say?

Mr. KIM. Yes, sir, singing a song by the title of "Don't Cry Hongdo." That is a South Korean song, and that was forbidden in North Korea to sing.

Senator BROWNBAC. Don't Cry Hodho?

Mr. KIM. Hongdo. Hongdo is the name of a woman.

Mrs. JI. And I was sentenced 3 years to prison because of that crime.

Of course, the charge was obviously that I did not sing the songs in praise of the North Korean leader Kim Il-sung and his son, Kim Jong-il, and I was charged of spoiling the mentality of the North Korean populace by polluting them with South Korean songs, and I was also charged with attempting to disseminate ideas of revisionism to their orthodox of their national policy.

So I was jailed and imprisoned soon after I was charged with violating North Korean law, and the charge again was simply I sang the song that was forbidden in North Korea. Once I was put in prison, I was allowed to have only a few grains of corn and with salt soup and was put to forced labor and there was not enough energy there, for we have to move whatever machine with human effort. That is, we have to keep motors run under pressure, and all

the mistreatment that I suffered from that prison is beyond, again, description by any human being or human imagination. And if we did not meet the deadline or the quota of work that they have imposed on us, we were given a very minimum amount of food, even the food amount for a daily meal is only 80 grams a day, but nevertheless, if we did not do our job right, that amount would even be further reduced.

Again in the prison camp, life is beyond human description. Instead of going through and failing to go through such an ordeal of unimaginable degree of torture and pain, many inmates would attempt to commit suicide by taking nails or taking a lot of salt into their body, then getting sick. And I would see almost two or three inmates were dying on a daily basis while I was there.

What I thought was intolerable for any human being was once we were in the prison and there were prison guards of relatively younger ages, they would violate the women inmates, harass sexually, and they will make such a situation in which inmates fight each other. Again, this is beyond imagination of any person who lives elsewhere outside North Korea.

Intolerant of the atrocities that the North Korean regime was practicing upon its own people and fed up with the disguised policy of the North Korean Government which I thought corrupt and illegal—and let me put it this way. It was like they were just covering what is black with white cloth. I just did not think I could tolerate it anymore. So I decided to escape from North Korea in 1998 to China with the intention to finally reach the free land of South Korea.

For those North Korean escapees who made a successful escape to the land of China, mostly women, they are sold to China's men and they will just have whatever abuse and advantage of possessing North Korean women. Many North Korean women get impregnated, and then if they get caught, then they will be sent back to North Korea for either being subject to being shot to death or put into jail or prison again, and they will let die from hunger and starvation. Nevertheless, the North Korean Government does not feel any responsibility or sense of guilt about these situations.

And in some cases women are sold not just one time to one Chinese man, but over and over again for money, none of which goes into the hands of these poor women.

The escapees are constantly pursued and hunted by the police, and to run away from these police chase, escapees would hide in rest rooms or a warehouse or sometimes brick factories' oven or hide in deep mountains. And nevertheless, it was very difficult for these people to hide themselves away from these security personnel who are constantly after them to catch them and trying to turn over back to North Korean authorities. This is the kind of treatment we received, and I would say that is only subhuman in any standard.

So even in China, we were mistreated like I have just described to you, and it is not just in my case, but many other North Korean women who successfully somehow made escaping to China had to go through the same mistreatment and the same misfortune that I told you about. I do not think that could be allowed to happen on this Earth.

So people in North Korea believe the only way they can live would be escaping to South Korea somehow, and I attempted the same thing to reach South Korea, but I was caught in the course of escaping to South Korea. I was sent back to North Korea, put into prison again, and made subject to severe, indescribable torture and pain. And they tramped on my legs telling me that I can never run away from North Korea again, and I still feel pains from that incident.

But I was lucky enough to be able to escape from the prison again and I was determined to escape North Korea again. In the course of my escape, I wanted to stop by in Hamhung where I wanted to see my son and my brother. When I got there, I found my brothers and my son all starved to death. They all died. They weren't there anymore. For this crime, I can never forgive the North Korean regime.

And my determination was made even stronger as far as my intention to get to South Korea. But I did not have any money to arrange means of transportation or route to get to South Korea. So what I had to do was we had to steal a Chinese boat, and I used that boat. And while voyaging to South Korea, I was caught by Chinese guards this time again.

I might say for those who are ready to die, maybe death does not come to them. So I finally made my way to South Korea on January 14, 2002. Since then with the care of the South Korean Government, I have been able to lead a rather comfortable and peaceful life.

I simply, Mr. Chairman, could not be content with comfort of life, easy life in South Korea, because I had to think of all the North Korean people that I left behind and what unbearable ordeal they are going through. And I determined and decided to participate in human rights movement in an effort to bring some hope to people in North Korea. And I would like to see the entire world and all government agencies, including your honorable committee, tell the world what kind of crimes the North Korea Government is committing, and I would like to see democracy be brought to North Korea, as well as abuse of human rights and infringements upon human rights be ended in North Korea. It is my will to fight for this cause as long as I live.

I do not think it is my personal pain that I have experienced but this pain is shared with all people who live in North Korea today and especially women who would like to leave that country and come out like I did for a better life.

And to conclude my oral testimony, I would like to emphasize that Kim Jong-il, the North Korean leader, does not care about his people, whether they are dying from hunger or from diseases. I did not see any North Korean Government official feel guilty of this tragic situation.

In order to survive, to live on, the North Korean people are trying hard to leave their country with tears in their eyes, not knowing exactly where they can go for safety, roaming around in China, for example. Nevertheless, there is no one who will take responsibility for those or who would help these people.

As my wish and request, I hope this committee can recognize North Korean escapees as legitimate refugees by the international

standard, and this committee, along with the government and whoever, they can render help. I wish there would be establishment of a refugee camp for their safety and protection of their future. The venue for this refugee camp can be a third country, either China or Mongolia. The purpose for this is so that we can protect the safety of these refugees. I would like to ask you, Mr. Chairman, and other members of this committee to work together to bring about this possible.

[The prepared statement of Mrs. Ji follows:]

PREPARED STATEMENT OF MRS. HAE-NAM JI, NORTH KOREAN DEFECTOR

I was born in Namun-ri, Hamhung city, Hamkyungnam-do on May 17, 1949. My family was poor but I graduated from a college of light industry. As a propaganda member, I went around explaining and promoting party policy to everyone in several factories. I shouted out slogans such as "What the Party Decides, We Follow" encouraging all workers with my songs to complete their tasks within the set time-frame. In 1989 when the 13th Party Convention was held I began having skepticisms about the inappropriate actions of party cadres. At that time anyone who raised an issue against the wrongdoings of the deified cadres was punished. Against this backdrop, I divorced my husband who failed to take care of my family in 1989.

I sank into depression managing to stay afloat by selling my own blood because I was unable to find a job. Then on the night of December 25, 1992, my friends gathered together in Hamju-kun, Hamkyungnam-do. That night I tried to drown my sorrows away by singing. Five people including a fortuneteller who read palms, and three friends came together to sing and dance. I enjoyed time with my friends by having fun and singing a South Korean song called "Don't Cry Hongdo." I learned the song from a film based on President Park Jung Hee's time called "Nation and Destiny" where a singer belts out "Don't Cry Hongdo" in a cafe in the fifth series.

A few months later on May 15, 1993 an inspector from the Security Protection Agency of Hamju-kun Hamkyungnam-do summoned me. I followed him without a second thought to the grounds of the Security Protection Agency. However to my dismay I was locked in jail with no further words or going through preliminary hearing (place where interrogation takes place before being incarcerated).

The beatings I received in jail were so severe that my entire body was bruised and I was unable to get up for a month. I was sent to an enlightenment center after receiving a sentence of three years. I was confined in the Security Protection Agency of Hamju-kun for being the leader of disseminating revisionism in the society instead of singing songs of loyalty to Kim Il Song and Kim Jong Il. At that time according to the decree regarding social order, those who criticized the social order, those who sang foreign songs, those who wasted state assets, those who ate but did not work, those who drink, those who swindle were harshly punished and were even subject to a death sentence.

The four people who were together with me that night received a sentence of eight months of forced labor while I was sent to the Security Protection Agency in Myungchun-kun, Hamkyungbuk-do after 15 days in the Security Protection Agency in Hamju-kun, Hamkyungnam-do for teaching "Don't Cry Hongdo" to the four others. I was subject to torture and sexual harassment that cannot be imagined by another human being. The detention center guards were around 22-24 years old. I was mortified and wanted to die rather than be locked up. I tried swallowing cement cut into four pieces of squares as well as sewage, rubbish and hair but I didn't die.

From then on the guard increased surveillance and I wasn't able to do anything without them watching. That is when I was once again moved to the Security Protection Agency in Hwasung-kun. Even though the Administration of the Preliminary Hearing made a call to say I wasn't subject to a preliminary hearing, judicial officers managed to send the confined people to penal servitude by adding some other defects. As I was accused of a misdemeanor of simply singing a wrong song, my preliminary hearing was relatively lighter than others. Imagine what the others with more serious sentences endured?

The daily ration in the enlightenment center was 700g however we only received 180 grams a meal since the rest of the ration was set apart as "economy rice." For the new comers who were sent to new "inmate class" the ration was 100 grams per meal. I became so emaciated that I felt that the pickled cabbage they provided together with the ration was the most delicious food.

The convicts were put into labor from 8 in the morning till 6 in the evening officially. However we normally had to work 22 hours for any urgent tasks the state

mandates. In addition the male guards would summon female inmates to their offices under the pretense of individual interrogation and sexually harass them without hesitation. After work each day, for an hour, a mutual criticism session was held. The inmates would give false accusations against others or else a portion of their ration was taken away.

I was released in September 1995 from the enlightenment center out of the supposed special consideration of the Dear Leader. I was sent to Hamju-kun but doors to jobs were closed for me as a released convict. I felt hurt because people would turn their backs on me and at that time, my husband and beloved son came to make amends and I accepted my husband back out of forgiveness. With the stigma of being a released convict during the time of an economic crisis, I had to resort to selling my blood to transfusion centers to feed my husband and son. I walked 200-250 ri(393m) a day as a peddler but my husband ran away with my son taking the money I saved up with him.

I then decided to defect to China with South Korea in mind as the final destination. Disgruntled with the corrupt regime, cut off from the society and my family, I turned away from my son and cursed North Korea as I fled in early September of 1999. I had 1000 won in North Korean currency when I took the train headed for Tuman River and arrived at Musan in Hamkyungbuk-do where they check passes since it is close to the border. I hid inside restaurants and bribed the innkeeper to take shelter and sleep during the night. I brought 200 won worth of food on top of 200 won in cash to a guard from National Border Patrol in Musan telling him that I will give him more when I come back from China after selling my merchandise. He believed me and let me pass and I arrived in China after crossing the Tuman River at 3:30 p.m. Even the soldiers are starving in North Korea that they would do anything for money and their goal is to accrue 500,000 won by the time they are dismissed from the military service.

They would not shy away from doing anything to get their hands on money regardless of military regulations. I was able to use this opportunity to escape to China by crossing the Tuman River and hid in the mountains until night fell. I went down to the village and asked an ethnic Korean family to let me sleep one night but was refused. Anxious, I stayed awake all night in a shed eating pre-ripe fruits. The next day I was caught by the owner of the grove who held me as a captive for eating too many fruits. A car drove into the pear grove when we were working at three in the afternoon and I quickly lowered myself into the pepper field to hide in vain but was captured and pushed into the car. I was frightened because I thought they were North Korean soldiers but I was brought to a place called Long Jiang in Ji Lin. Along with another woman, I was locked up in a widower's house. The other woman was sold the next day and I became the sexual toy of the lone old man. I couldn't resist because I was afraid I would be sent to the Security Service. For 15 days I became the sex toy of a widower, looking out for any opportunity to escape while getting some food into my stomach. Then one day an ethnic Korean offered to take me to my sister's house in Heilongjiang. I followed what ever he told me because I was afraid only death would await me if I was captured by the Security Service. However I realized later that the widower gave me to the other ethnic Korean because he had no money.

Eventually, I was sold for 4000 yuan to a Chinese in Hwangnihu Tonghua Ji Lin and had to live in his house against my will because Ji Lin was a city with tight security. The Chinese man's height was only 145 cm and he had a very strange appearance. During my stay at his house, I had to hide inside the closet for hours whenever policemen came to investigate. Afraid that I would escape, he installed locks on every door and I was kept inside all day. I even had to relieve myself inside the room. At night I was reduced to becoming a sex toy of someone who looked like a monster and only the thought of escaping ruled my every moment in the house.

The man became suspicious that I was thinking of escape and he brought me to the brick factory where he worked to watch over me day and night. Whenever the Security Service rushed in I would flee to the mens toilet and stay there for hours and even had to hide myself in the brick oven until I felt as if my whole body would burn. Even on the coldest winter days I had to hide for hours in the rubbish storage place. Several times, I hid in the closet in the factory changing room. Chinese men would come to where I hid because they thought North Korean women were pretty. They would stare at me as if I was an animal in the zoo and sexually molest me and their actions were revolting. I didn't have any chance to escape for several months.

Then with the help of an ethnic Korean I lead the Chinese man to my sister's house near Heilongjiang. I used this chance to follow my sister's friend to Weihai Shandong where I found work in a restaurant. I was humiliated and insulted during the three months at this restaurant because I was a woman from North Korea. I

was not paid on time and I had to do the most arduous and dirty tasks but I never complained because I feared that even a small slight might cause them to send me to the Security Service. I was determined to go to South Korea so I only worked and tried not to think. With the small amount I managed to save, along with six other North Koreans, I bought oil, life-jackets, binoculars and a compass with 700 yuan.

We made out to a beach in Weihai and succeeded in stealing a speedboat at around midnight. As we headed for South Korea the gauge broke down and water filled in the boat and a Chinese fisherman rescued us at daybreak after spending the night fighting against high waves. We had 50 yuan tied around our thighs and a saw in case if we were caught to use the saw in order to break free or commit suicide.

The six of us stayed together trying to seize another opportunity when a South Korean gave us 3000 yuan. We bought life jackets, binoculars, compass and some bread. After stealing a motorboat we waited for a good day to start off when the weather would be mild in a place called Hopo in Weihai. We left at 12 midnight but the boat broke down several times and three days had passed but we had not reached the international waters yet. It became stormy and a typhoon came upon us. A woman called Chunsil became sea sick and kept dropping in and out of consciousness. We thought we were destined to die in the sea until we spotted two ships towards South Korea with our binoculars. After making a quick calculation we thought we were near South Korean waters and waved a white sheet believing the two ships to be South Korean but they were Chinese boats. We tried to flee from getting captured but were too tired.

We were confined for fifteen days by the Chinese border guards and our money 1000 yuan was taken away from us. A North Korean man was shackled for trying to escape from the guards and the females were also shackled even when we went to the bathroom. I demanded that the shackles should be taken off because we were not yet proven to be criminals so I yelled in a high voice that I will jump out from the third floor window if the shackles were not removed. However instead of taking the shackles off, a male security guard kept watch over me all through the night by standing right next to me when I slept. For fifteen days I was questioned shackled. I persisted in arguing that I was a South Korean but I had to remain in shackles because no one believed me. The ten days I was confined in the security service jail was traumatic. The Chinese inmates were quite free to do what they wanted but we, two North Korean females, were starved for three days. We could not go to the bathroom freely, we did not have toilet paper and were treated as animals.

The Chinese Security Service sent us to Tandong Detention Center where thirty out of fifty inmates at the detention center were North Koreans. The female Chinese Security Service guards stripped us naked and made us jump 30 times to see if we hid any money in our vagina. They even tried searching by inserting their hands in our vagina. I had swallowed 400 yuan anticipating that I would be searched thoroughly and was badly treated until I was repatriated to a jail of the Security Affairs Agency in Shinuiju, Pyonganbuk-do North Korea early December. We were treated like animals for the twenty days detained in jail. Women were both impregnated and contracted venereal diseases during their confinement in China. No one was normal. Pretty women were confined in a solitary room to be used as sex toys. The inmates were beaten and given 50 grams of half-cooked maize filled with insects. A pregnant woman used to bite off and eat her own nails because she was craving for food. A woman with venereal disease would rub salt on her lower body out of pain. Could you believe this is a place for human beings?

The other women were caught in China but since Chunsil and I were caught trying to defect to South Korea, our punishment was more severe. We were locked up in separate rooms beaten with clubs. I developed hemorrhoids and wasn't able to sit on the cold floor of the jail. I had to lie face down with my bottom up in the air moaning like a mosquito. After 20 days I was sent to a detention center where they began to select inmates to release after seven weeks. I thought I would be released because I was selected as a monitor before anyone else but I realized they were just going to release me as an example to prove that even those who were repatriated from China are released. I found out that I was to be arrested again when I reached home. I limped my way to Musan, Hankyungbuk-do arriving at Hamhung station on the morning of January 1st. All my family members except two brothers were dead and I wasn't able to find out about my son, if he was alive or not.

With a heavy heart, I crossed the ice thin waters from Musan at 3 in the afternoon to China. This time I was fortunate to meet kind ethnic Koreans who I stayed with for seven weeks doing odd jobs. With their help, I returned to Weihai and hid myself in the office of a Korean company. For three months, I hid up in the mountains whenever the Chinese Security Service searched the area. I left in October

2000 and passed through four Southeast Asian countries within a span of four months and arrived in South Korea January 14, 2002. I could fill up thousands of pages about my suffering in jails but I would like to stop here.

I would like to ask the human right activists and those working for human rights in North Korea to expose the human right abuses inflicted by the feudal and corrupt North Korean government to the world so that the people in North Korea could escape from a life of humiliation and live freely as soon as possible.

Senator BROWNBAC. Mrs. Ji, thank you very much for your heartfelt testimony and your incredible struggle for liberty. It is quite a testimony to all of us.

I have a few questions I would like to ask.

And this is not on the program, but I would like to invite up a representative of the South Korean abductee organization, if they would like to come forward to the desk here to be able to give a minute or 2 about their situation. I believe the abductee person to come forward would be Dr. Jai Nam. He is with the Citizens Coalition for Human Rights of Abductees and North Korean Refugees. If you would like to come forward now while we do this questioning, I would appreciate that.

Mrs. Ji, am I pronouncing her name correctly?

Mrs. Ji. Yes, sir.

Senator BROWNBAC. You just got out of North Korea in 2002. Is that correct?

Mrs. Ji. I left North Korea in 1998 but arrived in South Korea in January 2002.

Senator BROWNBAC. So you spent 4 years then, if I understand your testimony, in China and several other countries, making your way to South Korea. Is that correct?

Mrs. Ji. There is no way I could go to South Korea directly from China, but with the help of a South Korean Christian minister, I was able to journey through Vietnam, Cambodia, and finally Thailand from which I was able to go to South Korea.

Senator BROWNBAC. From 1998 to 2002, was most of that time spent in China and then just the last portion of it in transit through those three additional countries?

Mrs. Ji. I spent a year of ordeal in China. I was captured, sent back to North Korea, spent half more year there, again subject to severe torture and harsh treatment. Then I escaped North Korea again, another year in China, not just in China but Vietnam and Cambodia and other places. Even in Vietnam I had to go through horrible trouble. I was caught once by the Vietnamese authorities as well.

Senator BROWNBAC. My point is because of your status as a refugee in North Korea and because of the harsh treatment that the Chinese give to North Koreans in China, you were subjected to horrific situations, sexual slavery, horrible conditions in China because the Chinese continue to hunt down North Korean refugees. Is that correct?

Mrs. Ji. Yes, that was correct, and because I had to go through this ordeal because I knew once I was caught, sent back to North Korea, then I knew that I would be killed.

Senator BROWNBAC. In my estimation the Chinese Government is complicit in this by its harsh treatment of North Korean refugees, and this is counter to agreements that China has signed with the U.N. High Commissioner on Refugees that they would not send

back refugees to a home country, in this case North Korea, where they know those refugees will be harshly treated, subject to imprisonment, if not death. And yet, the Chinese Government continues to hunt down North Korean refugees in China, subject them to the harshest of conditions inside China, and is complicit clearly in the horrific treatment that North Koreans are receiving particularly in China because as a refugee then, you have to hide, are sold to different people to be able to keep away from the Chinese authorities.

You do not need to translate that in the interest of time. I really would like to just ask her, do you know of others or are there many others in North Korea who would like to escape but who cannot risk the journey that you took?

Mrs. JI. There are many who would like to escape from North Korea.

Senator BROWNBAC. Do many try and we do not know about it, or are they fearful and do not try?

Mrs. JI. Those who live in the northern province of Hangyangdo in North Korea are familiar with the border with the Chinese. So they are the ones who can attempt to escape or actually succeed in escaping. But if you are talking about the people who live in the south province Hamhung where I come from, although they want to escape and go to South Korea, they have just no way how they can achieve that.

Senator BROWNBAC. If there was an established refugee camp in China or Mongolia, where there would be not easy passage, but there would be safety once you achieved that location, would a number of people leave North Korea for the refugee camp?

Mrs. JI. I would believe that many would attempt to escape North Korea once they know, given information that there are refugee camps that will protect the safety of the refugees.

Senator BROWNBAC. Would there be thousands that would leave if they know they could get relatively safe passage to another country, once they made it to China?

Mrs. JI. It is really not easy. I would rather say it is difficult to guess exactly how many people would attempt to escape North Korea if that condition is met. But nevertheless, I would think around 60 percent of the entire people in North Korea would like to leave their country.

Senator BROWNBAC. What percent?

Mr. KIM. Around 60; 6, 0.

Senator BROWNBAC. Thank you very much for joining us today. God bless you for your courage to do this.

Mrs. JI. Thank you, Mr. Chairman.

Senator BROWNBAC. Dr. Jai Nam with the Citizens Coalition for Human Rights of Abductees and North Korean Refugees. We worked you in the program, and the chairman in his office was willing to bring you in just for a quick 2 minutes about what it is your organization does and how many South Koreans abducted into North Korea do you think there are?

**STATEMENT OF DR. JAI NAM, CITIZENS COALITION FOR
HUMAN RIGHTS OF ABDUCTEES AND NORTH KOREAN REFUGEEES**

Dr. NAM. Yes, Your Honor, indeed. We are the delegates representing South Korean abductees detained in North Korea.

During the Korean War, more than 80,000 civilians were abducted to North Korea, and afterward until January 2000, the total number of 486 were abducted. Those are detained in North Korea.

Till now, due to the lack of support and the negligence of the South Korean Government, our movement has not been activated well. Since we are here visiting the United States, the U.S. Congress, and the United Nations. We are supposed to meet the Secretary of the United Nations. Also like to visit North Korean Embassy in New York and to representing our situation.

Well, let me tell you something. At this moment, one of South Korean abductees was safely escaped to the South Korean Embassy in Beijing. His name is Kim Byong Do. So hopefully he can safely return to South Korea. This is all. They left a little memo for me.

Senator BROWNBAC. How long ago was he abducted?

Dr. NAM. It did not say. It could be mid-eighties.

Senator BROWNBAC. But he is now in the South Korean Embassy in Beijing but has not been allowed to pass to South Korea yet.

Dr. NAM. Not yet.

Senator BROWNBAC. We will hope the Chinese Government will work to allow his safe passage on to South Korea.

Dr. NAM. Yes.

Senator BROWNBAC. Thank you very much for being here and coming by to see me and being willing to stop here at the committee.

Dr. NAM. Your Honor, one additional thing is hopefully if he comes to South Korea, if you invite him to the Senate hearing, we will deeply appreciate it.

Senator BROWNBAC. Thank you.

Our third panel is Dr. Kongdan Oh Hassig, research staff member, Institute for Defense Analyses; Ms. Debra Liang-Fenton, executive director of The U.S. Committee for Human Rights in North Korea; Dr. Stephen Linton, chairman, Eugene Bell Foundation; and Dr. Marcus Noland, senior fellow of the Institute for International Economics. If you would all please come forward, we would appreciate your testimony. Thank you all very much for joining us.

Dr. Kongdan Hassig, if you would please start out. Your full testimony will be put into the record. So you are free to summarize. Because of our hour and we have a set of stacked votes at 3:30, I will run the clock here at 5 minutes to give you a warning here of time. That is not a hard time period, but if you could keep the testimony fairly tight so we could have some questions, I would appreciate that very much.

**STATEMENT OF KONGDAN OH HASSIG, PH.D., RESEARCH
STAFF MEMBER, INSTITUTE FOR DEFENSE ANALYSES, ALEXANDRIA, VA**

Dr. HASSIG. Thank you. Mr. Chairman, members of the committee, colleagues, and guests, I am extremely pleased to appear

before you to discuss North Korea's social structure. I have been asked specifically to say a few words about the North Korean regime's political classification system.

My brief presentation is in two parts: first, on North Korea's social structure in theory; and second, on social structure in reality.

No dictatorship can afford to grant its people social and political equality, but the North Korean regime has constructed a more elaborate model of political stratification, discrimination, and persecution than most dictatorships, thanks in part to the fact that the current ruler, Kim Jong-il, and his late father, Kim Il-sung, have had over 50 years to perfect their political system.

It is not uncommon to distinguish between those who, we believe, are with us and those who are against us. This is the basis of the political classification system in North Korea. In this case, "with us" is supposed to mean "with the North Korean people in their struggle to achieve socialism." However, as the political classification system is used by the authorities, "with us" actually means "personally loyal to Kim Jong-il and his regime."

The following brief description of the Kim regime's three-part political classification system is condensed from a description in the book "North Korea through the Looking Glass" that I co-authored with Ralph Charles Hassig. A similar description also may be found in the annual white papers on human rights published by the Korea Institute for National Unification in Seoul, Korea.

Since the 1950s, the Kim regime has subjected its people to a series of political examinations in order to sort out those who are presumed to be loyal or disloyal to the regime. After a 3-year period of examination that began in 1967, then-President Kim Il-sung reported to the Fifth Korean Workers' Party Congress in 1970 that the people could be classified into three political groups: a loyal core class, a suspect wavering class, and a politically unreliable hostile class.

Individuals are further classified into 51 subcategories, such as those in the wavering class who had been landowners before the Communists came to power, or those who had resided in the southern half of Korea before 1945, which is the year of liberation from Japanese colonialism. The political history of one's parents, grandparents, and relatives as distant as second cousins, is also a determining factor in the classification process. As of the most recent Party Congress, which was held in 1980, approximately 25 percent of the population fell into the core class, 50 percent fell into the wavering class, and the remaining unfortunate 25 percent were relegated to the hostile class.

An individual's political loyalty is likely to be reexamined anytime he or she comes to the attention of the authorities, for example, when being considered for a job, housing, or travel permit. One's political classification is not a matter of public knowledge, nor is it known to the individual, but it is recorded in the personal record that follows every North Korean throughout life, and of course, becomes a part of the record of that person's children and relatives as well.

Only people classified as politically loyal can hope to obtain responsible positions in North Korean society. People classified as members of the wavering class are unlikely to be considered for

membership in the Korean Workers Party. People who fall into the hostile class are discriminated against in terms of employment, food, housing, medical care, and place of residence.

This classification system is obviously an inefficient means of determining how committed a person is to socialism, or how loyal to the Kim regime. Many people with drive and talent, who in fact are patriotic North Koreans, are prevented from participating fully in North Korean life because their official record has been tainted by the historical political affiliations of ancestors and relatives. But for the Kim regime, people are largely expendable, and it appears to be the viewpoint of the regime that it is better to be safe than sorry when it comes to ensuring regime security.

Now that I have briefly outlined this elaborate political classification system, which I think tells us a lot about the mind set of the North Korean leaders and their ideal for a utopian controlled North Korea society, let me caution you that appearance does not match reality.

North Korean society is full of corruption. A North Korean's political history and the history of his or her parents, grandparents, and even distant relatives does, indeed, influence that person's life changes. But what matters even more is money.

North Korea's socialist economy does not work. Most people live in poverty. Millions are constantly hungry. Government and party officials, including members of the several police and party organizations that compile and use this political information, bend the rules to make life better for themselves and their families.

I do not think it is an exaggeration to say that North Korean society runs on bribes. It has become a way of life: a universal tax in a country that boasts that the people are free of taxation. All of the necessities that I mentioned above—employment, food, medical care, housing and place of residence—can be purchased illegally. Protection from arrest or release from jail is likewise for sale. Only if one's case comes to the personal attention of Kim Jong-il, who has everything, is bribery of no use.

In closing, let me suggest what this information about political classification tells us about the North Korean social structure today. That structure is broken. North Korea is not in fact a socialist economic system. Almost everyone turns to the underground market economy to survive. There is no rule of law. Only the rule of money and power.

North Korean society is unstable as it lurches from one crisis to the next. But people have become adept at adjusting to circumstances, looking out for themselves and their families, and when possible, helping their neighbors and townspeople.

Yet, because most North Koreans cannot leave their country and because none of them can contest the political system, social disorder in North Korea remains largely contained and will continue to be contained until people become aware of political alternatives to living under the Kim regime.

Thank you.

[The prepared statement of Dr. Hassig follows:]

PREPARED STATEMENT OF KONGDAN OH HASSIG,¹ INSTITUTE FOR DEFENSE ANALYSES

POLITICAL CLASSIFICATION AND SOCIAL STRUCTURE IN NORTH KOREA

Mr. Chairman, members of the committee, colleagues, and guests. I am pleased to appear before you to discuss North Korea's social structure. I have been asked to say a few words specifically about the North Korean regime's political classification system.

My brief presentation is in two parts: First, on North Korea's social structure in theory, and second, on social structure in reality.

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The following brief description of the Kim regime's three-part political classification system is condensed from a description in the book "North Korea through the Looking Glass" that I co-authored with Ralph C. Hassig. A similar description may be found in the annual white papers on human rights published by the Korea Institute for National Unification in Seoul.

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Individuals are further classified into 51 subcategories, such as those in the wavering class who had been landowners before the communists came to power, or those who had resided in the southern half of Korea before 1945. The political history of one's parents, grandparents, and relatives as distant as second cousins is also a determining factor in the classification process. As of the most recent Party Congress, which was held in 1980, approximately 25 percent of the population fell into the core class, 50 percent fell into the wavering class, and the remaining unfortunate 25 percent were relegated to the hostile class.

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¹The views expressed in this testimony do not necessarily represent those of the Institute for Defense Analyses or its clients.

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Yet because most North Koreans cannot leave their country, and because none of them can contest the political system, social disorder in North Korea remains largely contained, and will continue to be contained until people become aware of political alternatives to living under the Kim regime.

Thank you.

Senator BROWNBACK. Thank you very much. That is powerful thought and testimony.

Ms. Liang-Fenton, thank you very much for joining us.

STATEMENT OF DEBRA LIANG-FENTON, EXECUTIVE DIRECTOR, U.S. COMMITTEE FOR HUMAN RIGHTS IN NORTH KOREA, WASHINGTON, DC

Ms. LIANG-FENTON. Thank you. On behalf of the U.S. Committee for Human Rights in North Korea, I would like to thank the chairs and organizers of the Subcommittee on East Asian and Pacific Affairs for convening this hearing. In particular, I want to thank you, Senator Brownback, for your perseverance and continued work on the pressing issue of human rights in North Korea.

In my written submission, I have provide the subcommittee with my full testimony, outlining some of the key elements of the human rights nightmare underway in North Korea. Today I would like to highlight briefly some aspects of human rights abuse in North Korea with an emphasis on the prison camp system. The committee's researcher, David Hawk, is currently completing a report on this subject for publication this summer. In it, we hope to be able to provide the satellite images of many of the political prison camps and detention centers being used by the Kim Jong-il regime to exact punishment on those categorized as offenders. I will round out my testimony with policy recommendations that may help remedy some of these problems.

For over 50 years, the people of the Democratic People's Republic of Korea have been denied even the most basic of their human rights. Human rights violations and abuses affect a large majority of the 23 million North Korean people. As Dr. Oh Hassig has just illustrated, there are tight social and religious controls. Access to food and health care is based on a system of loyalty to the regime.

With respect to the political prisoners, prisons, and labor camps, since the turn of the millennium a growing number of North Korean defectors have obtained asylum in South Korea. A number of these North Korean defectors were either prisoners or guards in a variety of prison camps and detention/punishment facilities in North Korea. Their fragments of information continue to accumulate and now afford a closer look at the North Korean system of forced labor camps and the unimaginable atrocities taking place in Kim Jong-il's North Korea.

From the accumulated information, it is possible to outline two distinct systems of incarceration in North Korea. Both of these exhibit exceptional violations of internationally recognized human rights norms: an extremely brutal gulag of political penal-labor colonies called kwan-li-so, along with prison-labor facilities called kyo-hwa-so; and a separate, but also extremely brutal system of imprisonment, interrogation, torture, and forced labor for North Koreans who are forcibly repatriated from China. This latter incarceration system includes jails along the China-North Korea border run by several different police agencies. Whatever the category, all the prison facilities are characterized by very large numbers of deaths in detention from forced hard labor accompanied by deliberate sub-subsistence food rations. The incarceration system for Koreans repatriated from China includes routine torture during interrogation and the abominable practice of ethnic infanticide inflicted upon pregnant women forcibly repatriated from China.

The most strikingly abnormal characteristic of the prison camp system is the feature of collective responsibility, or guilt by association, wherein the mothers and fathers, sisters, and brothers, children, and sometimes grandchildren of the offending political prisoner are also imprisoned in this three-generation arrangement. Former prisoners and guards trace the practice to a 1972 statement by Great Leader Kim Il-sung. Factionalists or enemies of class, whoever they are, their seed must be eliminated through three generations. According to the testimony of a former guard at kwan-li-so number 11, this slogan was carved in wood in the prison guards headquarters building.

The other strikingly abnormal characteristic of this system is that the prisoners are not arrested or charged, that is, told of their offense, or tried in any sort of trial or judicial procedure where they can have a chance to confront their accusers or offer a defense with or without benefit of legal counsel.

The most salient feature of day-to-day prison labor camp life is the below subsistence food rations, coupled with extremely hard labor. Prisoners are provided only enough food to be kept perpetually on the verge of starvation. It is important to note that subsistence food rations precede by decades the nationwide food shortages of the 1990s.

I just want to show you a picture. This was an illustration done by one of the Gilsu family children while in hiding in China. This is Dae Han Gilsu at Amsang labor prison. This illustrates his meal which consists of a husk of corn, sesame seed dregs, cabbages, and the water used to wash the rice.

Most basically the prison camp system is an outgrowth of the broader North Korean system for dealing with petty criminals

charged or convicted of what would be considered in the United States to be misdemeanor offenses, except that many of these minor offenses would not be normally considered criminal, traveling within the country or leaving one's village or not appearing at the designated work site without official authorization or for leaving the country, a right guaranteed in the International Covenant on Civil and Political Rights to which North Korea is a state party, which should not be criminalized at all.

Senator Brownback, you know very well the situation with the refugees in China, so I will just make three points on that subject.

It is the nature of the political system in North Korea, with its discriminatory distribution of resources that makes feeding a family impossible in some areas. Being hungry does not necessarily prevent these people from also being oppressed. The criminal, political, and social persecution that accompanies forcible return to North Korea surely makes these people political refugees once they are in China.

I will skip now to the policy recommendations and list some concrete steps that may help to improve the human rights of North Korean residents and refugees.

One, emphasize human rights in policy. President Bush and all other government officials should take every opportunity publicly and privately to express concern for the plight of the North Korean people and the U.S. commitment to assisting in the restoration of their rights and well-being. During their most recent meeting, President Roh indicated at one point that without the help of the United States in 1950, he might be in a prison camp of Kim Jong-il today. President Bush should have pressed President Roh on this point by way of emphasizing the need to address the human rights crisis in North Korea.

Two, pressure the North Korean regime to close down its brutal and repressive prison camp system.

Three, pressure the North Korean Government to cease criminalizing the act of leaving the country without permission and severely punishing those who are forcibly repatriated.

Four, the protections offered by U.S. law and policy to refugee populations in danger should be extended to North Korean refugees in China.

Five, urge the U.N. High Commissioner for Refugees to take immediate action to press China to fulfill its obligations under the 1951 Convention Relating to the Status of Refugees and end its practice of cooperating in the forced repatriation of North Koreans.

Six, press the UNHCR to invoke binding arbitration of the 1995 agreement it has with the Chinese Government to secure its unimpeded access to North Korean refugees.

Seven, encourage the Chinese Government to allow the UNHCR to operate under its full mandate, according to the 1995 agreement. As China enters prominence in the international arena, it must take on the responsibilities commensurate with its status.

Eight, help create an interim resettlement area in third-party countries such as Mongolia to alleviate China of the burden of accommodating large numbers of refugees on its soil. Senator Brownback, you put it well in your paper, "Mercy in Short Supply."

The nations of the world, including the United States, should be prepared to share the burden of refugee resettlement.

Nine, ensure that independent assistance organizations can provide famine and medical relief to the people most in need and can verify that this relief is reaching those whom it is intended to help. It is especially important that the distribution and monitoring of food aid be put in the hands of humanitarian assistance organizations and at a minimum be made transparent.

Ten, find new ways to provide information to the people of North Korea, thus ending their enforced isolation. Develop multiple channels of exchange and contact. Increase radio broadcasting like Radio Free Asia.

Eleven, develop and implement an international agreement modeled on the Helsinki Final Act, which linked Western recognition of the post-World War II borders of central Europe to a comprehensive set of human rights principles. While there is not much reason to believe that North Korea would honor such an agreement, the need at this time is to start a process. A Helsinki agreement for the Korean Peninsula could offer a lever with which to curb Pyongyang's worst abuses, open North Korea to greater international scrutiny, and help break down the isolation of the North Korean people.

Twelve, U.S. Members of Congress should strategize and coordinate with counterparts in South Korea, Japan, and Europe on improving national laws to help the North Korean people. Such an initiative is currently underway. The next meeting of the Inter-Parliamentary Working Group on Human Rights in North Korea is scheduled to convene here in this building on July 16 as part of a larger conference on Human Rights in North Korea. Senator Brownback, I hope we may look to you to play a key role in this session.

And thirteen, pressure companies investing in or planning to invest in North Korea to develop a code of conduct similar to the Sullivan principles that were applied in South Africa to protect workers and other citizens.

There have been important changes in North Korea in the past 5 years. The crisis of the regime is deepening, as corruption becomes endemic and the regime begins to lose its grip on the monopoly of information. The flow of North Koreans across the border with China has begun to open up the country. Radios are being smuggled back into North Korea in large numbers. One defector estimates that up to half of the North Korean population has or has access to a radio that can receive AM/FM broadcasts from outside the country, and large numbers of people, including military officers, are listening to the Voice of America and Radio Free Asia broadcasts in Korean. One of the most important things that the United States can do is to increase radio broadcasting of news, information, and ideas aimed at the North Korean population.

The United States should make human rights a major component of its relations with North Korea equal with the demand that North Korea stop developing nuclear weapons. If the United States only or mainly focuses on the nuclear issue, it risks Kim Jong-il's using that issue to shore up support for his regime.

Senator BROWNBACK. Let us wrap it on up, if we could here.

Ms. LIANG-FENTON. Thank you.

Senator BROWNBACK. I appreciate your thoughts, but I want to make sure we can get everybody before we have that series of votes.

Ms. LIANG-FENTON. Just to say that we do not want to deflect attention away from domestic failings of the regime. It will be easy for him to foment national sentiment if we just focus on the nuclear issue.

Anyhow, I just want to say that now is the time to expose the brutality of the North Korean regime, and it is time to rise to the challenge and makes human rights in North Korea a U.S. policy priority. The people of North Korea deserve no less. Thank you.

[The prepared statement of Ms. Liang-Fenton follows:]

PREPARED STATEMENT OF DEBRA LIANG-FENTON, EXECUTIVE DIRECTOR, U.S.
COMMITTEE FOR HUMAN RIGHTS IN NORTH KOREA

Today, I would like to highlight briefly some of aspects of human rights abuse in North Korea, with an emphasis on the prison camp system. The Committee's researcher, David Hawk, is currently completing a report on this subject for publication this summer. In it, we hope to be able to provide the satellite images of many of the political prison camps and detention centers being used by the Kim Jong-il regime to exact punishment on those categorized as offenders. I will round out my testimony with policy recommendations that may help remedy some of these problems.

I. HUMAN RIGHTS IN NORTH KOREA

For over 50 years the people of the Democratic People's Republic of Korea, have been denied even the most basic of their human rights. Human rights violations and abuses affect a large majority of the 23 million North Korean people.

A. Social and religious control

The population is subjected to a constant barrage of propaganda by government-controlled media. The opinions of North Koreans are monitored by government security. Independent public gatherings are not allowed, and all organizations are created and controlled by the government. The government forcibly resettles politically suspect families. Private property does not exist. Religious freedom does not exist. The "religious" activity that is allowed appears to have one of two purposes: to deify the founder of the DPRK, Kim Il Sung, and by extension his son the current leader, Kim Jong-Il; or to demonstrate to faith-based aid groups that some traditional religious activity is tolerated.

B. Access to food and health care

The government of the DPRK divides the entire society into three classes: "core," "wavering," and "hostile;" there are further subdivisions based on an assessment of loyalty to the regime. As a result, as many as 18 million people may be denied equal access to decent education, employment, housing, medical care and food. Children are denied adequate education and are punished because of the loyalty classification of members of their families. Between 1995 and 1998, North Korea lost at least one million of its 24 million people to famine, food shortages, and related disease. The DPRK has refused to allow humanitarian aid organizations to assess the full extent of the crisis. Reports persist that food is being distributed on the basis of loyalty to the state, effectively leaving out those most in need.

C. Political prisoners, prisons and labor camps (kwa-li-sos)

Since the turn of the millennium, a growing number of North Korean defectors and escapees have obtained asylum in South Korea. A number of these North Korean defectors were either prisoners or guards in the variety of prison camps and detention/punishment facilities in North Korea. Their "fragments" of information continue to accumulate and now afford a closer look at the North Korean system of forced labor camps and the "unimaginable atrocities" taking place in Kim Jong-Il's North Korea.

From the accumulated information, it is possible to outline two distinct systems of incarceration in North Korea. Both of these exhibit exceptional violations of international recognized human rights: an extremely brutal "gulag" of political penal-

labor colonies, called *kwan-li-so* in Korean, along with prison-labor facilities, called *kyo-hwa-so*; and a separate but also extremely brutal system of imprisonment, interrogation, torture and forced labor for North Koreans who are forcibly repatriated from China. This latter incarceration system includes jails, along the China-North Korea border run by several different police agencies: short term provincial level detention-labor centers, and even shorter term more localized detention-labor facilities, called labor training camps. The political penal labor colonies include the repressive phenomena of life-time sentences for not only perceived political wrongdoers, but “guilt by association” for up to three generations of the wrongdoers families. Whatever the category, all the prison facilities are characterized by very large numbers of deaths in detention from forced hard labor accompanied by deliberate sub-subsistence food rations. The incarceration system for Koreans repatriated from China includes routine torture during interrogation and the abominable practice of ethnic infanticide inflicted upon pregnant women forcibly repatriated from China.

The system of detention facilities and punishments for North Korean’s repatriated from China is, in some ways, a separate phenomena from the life-time and longer-term imprisonment in the political prison camps and prison-labor camps. But this shorter-term detention/punishment system is related in that both the provincial detention centers and the labor training centers use the same distorted, degenerate reform-through-labor practices as the *kwan-li-so* and *kyo-hwa-so*. Both the long-term imprisonment and short-term detention facilities are characterized by below subsistence level food rations and very high levels of deaths-in-detention. And both the long term and short term detention facilities, and the police jails and interrogation centers that feed them are administered by both the Peoples Safety Agency police (who run the *kyo-hwa-so* prison-labor camps) and the National Security Agency police (who run the *kwan-li-so*).

Most basically, the system is an outgrowth of the North Korean system for dealing with petty criminals charged or convicted of what would be considered in the United States to be misdemeanor offenses: short-term detention in provincial or sub-provincial detention facilities combined with the practice of reform-through-labor. Except that many of these “minor” offenses would not be normally considered criminal—traveling within the country, or leaving one’s village, or not appearing at the designated work site without official authorization, etc. Or for leaving the country—a right guaranteed in the International Covenant on Civil and Political Rights (to which the DPRK is a State Party), which should not be criminalized at all.¹

D. North Korean refugees in China

The situation of North Korean refugees in China is desperate, and in many ways, it is a symptom of a larger, more pervasive problem. And that is the brutal nature of the repressive, totalitarian regime in Pyongyang. Leaving the DPRK is considered treason, punishable by long prison terms or execution. Yet the Voice of America estimates that as many as 300,000 North Koreans have fled to China. With the onset of famine in the early 1990’s, tens of thousands of North Koreans—the majority undernourished women and children—crossed into China’s northeastern provinces. North Korean refugees currently in China live in fear of arrest, many women forced into prostitution or abusive marriages. Refugees are pursued by agents of the North Korean Public Security Service, and many are forcibly returned to the DPRK. The South China Morning Post has reported that the Chinese government has been offering rewards to those delivering North Korean refugees to police.

China claims that it considers these refugees to be purely economic migrants. While hunger may be one motive for their movement, there are other realities:

1. It is the nature of the political system in North Korea, with its discriminatory distribution of resources that makes feeding a family impossible in some areas.
2. Being hungry does not necessarily prevent these people from also feeling oppressed.
3. The criminal, political and social persecution that accompanies forcible return to North Korea surely makes these people “political” refugees once they are in China.

China is a party to the 1951 UN Convention Relating to the Status of Refugees, under which it has agreed not to expel refugees to a country where their life or freedom would be threatened. It has also signed the 1967 Protocol to the Convention, promising cooperation with the UN High Commissioner for Refugees. And the PRC

¹While the “right to leave” is an internationally recognized “human right,” there is no corresponding “right” to enter another country, which remain within the sovereign rights of states.

is a party to the 1984 Convention Against Torture, which says that no state can return a refugee to a country where there are substantial grounds for believing that he or she will be tortured. In addition, it is a party to the 1995 agreement with the UNHCR—Article 3 stating that “In consultation and cooperation with the Government, UNHCR personnel may at all times have unimpeded access to refugees and to the sites of UNHCR projects in order to monitor all phases of their implementation.”

II. POLICY RECOMMENDATIONS

North Korean authorities deny that the practices described in this testimony exist and that human rights violations occur. Such governmental denials cannot be taken at face value. The only real way for North Korea to contradict or invalidate the claims and stories of the refugee accounts, especially with respect to the prison camps, is by inviting United Nations officials or representatives of the UN Human Rights Commission, or reputable human rights NGOs such as Amnesty International or Human Rights Watch, to verify or invalidate the allegations of former prisoners. Otherwise the refugee testimony stands.

In the event that North Korean authorities decline to engage in constructive and substantive dialogue with UN human rights officials as the recent resolution by the UN Commission on Human Rights requested, it can only be hoped that sufficient resources will be found to enable South Korean NGOs or independent human rights bodies to more thoroughly and systematically document the violations outlined in the Committee’s report.

I will now list concrete steps to achieve the policy objective of improving the human rights of North Korean residents and refugees.

1. Emphasize human rights in policy. President Bush and all other government officials should take every opportunity (publicly and privately) to express concern for the plight of the North Korean people and U.S. commitment to assisting in the restoration of their rights and wellbeing. During their most recent meeting, President Roh indicated at one point that without the help of the U.S. in 1950, he might be in a prison camp [of Kim Jong Il] today. President Bush should have pressed President Roh on this point by way of emphasizing the need to address the human rights crisis in North Korea.

2. Pressure the North Korean regime to close down its brutal and repressive prison camp system.

3. Pressure the North Korean government to cease criminalizing the act of leaving the country without permission and severely punishing those who are forcibly repatriated.

4. The protections offered by U.S. law and policy to refugee populations in danger should be extended to North Korean refugees in China.

5. Urge the UN High Commissioner for Refugees to take immediate action to press China to fulfill its obligations under the 1951 Convention Relating to the Status of Refugees, and end its practice of cooperating in the forced repatriation of North Koreans.

6. Press the UNHCR to invoke binding arbitration of the 1995 agreement it has with the Chinese government to secure its unimpeded access to North Korean refugees.

7. Encourage the Chinese government to allow the UNHCR to operate under its full mandate according to the 1995 agreement. As China enters prominence in the international arena, it must take on the responsibilities commensurate with its status.

8. Help create an interim resettlement area in third-party countries such as Mongolia to alleviate China of the burden of accommodating large numbers of refugees on its soil.

9. Ensure that independent assistance organizations can provide famine and medical relief to the people most in need and can verify that this relief is reaching those whom it is intended to help. It is especially important that the distribution and monitoring of food aid be put in the hands of humanitarian assistance organizations, and at a minimum be made transparent.

10. Find new ways to provide information to the people of North Korea, thus ending their enforced isolation. Develop multiple channels of exchange and contact. Increase radio broadcasting like Radio Free Asia to North Korea.

11. Develop and implement an international agreement modeled on the Helsinki Final Act, which linked Western recognition of the post-World War II bor-

ders of Central Europe to a comprehensive set of human rights principles. While there is less reason to believe that North Korea would honor such an agreement, the need at this time is to start a process. A Helsinki agreement for the Korean peninsula could offer a lever with which to curb Pyongyang's worst abuses, open North Korea to greater international scrutiny, and help break down the isolation of the North Korean people.

12. U.S. Members of Congress should strategize and coordinate with counterparts in South Korea, Japan, and Europe on improving legislation to help the North Korean people. Such an initiative is currently being implemented. The next meeting of the Inter-parliamentary working group on human rights in North Korea is scheduled to convene here in this building on July 16 as part of a larger conference on human rights in North Korea.

13. Pressure companies investing in (or planning to invest in) North Korea to develop a code of conduct similar to the Sullivan principles that were applied in South Africa to protect workers and other citizens.

These are all feasible first steps that could lay the foundation for more far-reaching changes in the future.

III. CONCLUSION

There have been important changes in North Korea in the past five years. The crisis of the regime is deepening, as corruption becomes endemic and the regime begins to lose its grip on the monopoly of information. The flow of North Koreans across the border with China has begun to open up the country. Radios are being smuggled back in to North Korea in large numbers. These radios are very inexpensive to purchase in China because labor is so cheap and because these devices are radio-cassette players, and their producers want to dispose of them quickly as the consumer market switches to CDs. One defector estimates that up to half of the North Korean population has or has access to a radio that can receive AM/FM broadcasts from outside the country, and large numbers of people (including, military officers) are listening to Voice of America and Radio Free Asia broadcasts in Korean. One of the most important things that the United States can do is to increase radio broadcasting of news, information, and ideas aimed at the North Korean population. An important task now is to deluge people in society with information and raise their awareness.

The United States should make human rights a major component of its relations with North Korea, equal with the demand that North Korea stop developing nuclear weapons. If the United States only (or mainly) focuses on the nuclear issue, it risks Kim Jong-il's using that issue to shore up support for his regime. He will have greater ability to foment nationalist sentiment, by positing the notion that if the United States has nuclear weapons, why shouldn't they? This may deflect attention away from the domestic failings of the regime and may actually strengthen Kim politically at a time when disenchantment with his regime is growing. If the United States challenges the North Korean regime on its human rights record, however—and in particular demands that it close down the prison camps—this could sour North Korean people against the regime, and could possibly soften hostile views toward the United States, because they know that the human rights situation in their country is abysmal.

The issue of North Korean refugees has received and continues to receive increased attention, but now U.S. and international attention must also be focused on the North Korean gulag. One objective the Committee hopes to achieve with the publishing of its prison camps report is to create human rights awareness in the U.S. and in the international community by documenting what is happening in the concentration camps and showing photographs and/or other evidence. As an example of the growing need to address this issue, a new NGO devoted to the abolition of the prison camp system has been launched in Seoul, (NK Gulag) and will try to heighten awareness among South Koreans as well.

Nowhere in the world today is the abuse of rights so brutal, so comprehensive and so institutionalized as it is in North Korea. With North Korea attracting attention for its nuclear program and its illicit-narcotics activities, now is the time to speak out about the horrible abuses being perpetrated against its own people. The North Korean people have been oppressed, frightened and enslaved for long enough.

Thank you.

Senator BROWNBACK. Thank you very much. I am sorry the time is so short, but we are just under that constraint.

Dr. Linton, thank you very much for joining us today.

**STATEMENT OF STEPHEN W. LINTON, PH.D., CHAIRMAN,
EUGENE BELL FOUNDATION, CLARKSVILLE, MD**

Dr. LINTON. Thank you for inviting me. Chairman Brownback, I really am pleased to be here, and I think we have someone we know in common. Sam Lee, who is the head of Eugene Bell's office in Washington, interned under you.

Senator BROWNBACK. Yes, he did.

Dr. LINTON. He speaks very highly of you.

As an American, I believe that I have been given a rare, extended glimpse into North Korea that most foreigners have not been allowed to see. Before sharing some of my thoughts—and I will keep it as brief as possible—allow me to give a brief explanation for these unique circumstances.

I grew up in a missionary family, third generation missionary family, in South Korea, graduated from a Korean university, and actually came down with tuberculosis when I was a grade school student while I was attending a local Korean school. As a result of this, I had to spend 9 months with my brother in confinement in 1956.

I, unfortunately, came down with it again after a bout with typhoid fever in 1979, and during my period of recuperation was able to attend a table tennis federation meet in Pyongyang, which got me very excited. I changed course in my graduate studies and ended up doing a degree in education and ideological inculcation at Columbia University with a focus on North Korea, and as I finished my degree, I began consulting for people who were interested in Korea, including Dr. Billy Graham. I accompanied him on his two trips to North Korea, as well as acted as his interpreter in his meetings with Kim Il-sung.

I had to choose, though, between academia and humanitarian work, when in 1995 the North Koreans officially asked for aid. At the time I started what was almost a research project in trying to figure out how Korean Americans, particularly churches and social organizations, could send aid cheaply to North Korea without breaking U.S. laws, and in conjunction with that, founded the Eugene Bell Foundation.

In 1997 we were asked officially by the North Korean Government to focus on tuberculosis, which is, as they called it, their No. 1, No. 2, and No. 3 most feared disease. While there are no statistics per se, if you go on South Korean statistics for the 1950s and early 1960s, you can pretty well assume that about 5 percent of the population have it. So it is really a very serious situation for them.

They have encouraged this largely I think because I had been a TB patient but also because my parents have operated a TB sanitarium in South Korea for about 30 years.

So from 1997 we switched over and have been raising money and implementing tuberculosis assistance work there ever since. I would have to say that as of last year, we were sending assistance packages—and we have a program that is pretty comprehensive—to about 60 of their 80 tuberculosis treatment facilities scattered all over the country. In conjunction with this, I was introduced once by a military person as the American, other than the pilots of an SR-71, who has visited North Korea the most frequently. I lost count after 50 times.

Having said this, we have not worked with refugees for obvious reasons because many, many organizations are able to address their needs, but the Eugene Bell Foundation has a fairly unique niche in the country itself.

As many have documented in detail, North Koreans experienced severe economic shock in the 1990s, and they blame it on natural disasters. By their own admission, their citizens were too used to relying on a dependable though modest government subsidy for food and shelter and whatnot, and were unprepared—in all too many cases, unable—to adjust to a new economic order where survival depended on individual initiative. As a result, untold numbers starved to death, and I really could not say how many. While traveling in the countryside in 1997, I witnessed hundreds of displaced people frantically in search of food. It was really one of the worst experiences I have ever had in my life.

Today life continues to be difficult, but thankfully North Korea's economy has begun to improve. I briefly credit this to three things.

One is clearly assistance from the outside, and I think the United States deserves credit for a lot of that. You can see just about everywhere bags of American aid and the use of those bags for hauling just about everything.

The second has been barter trade with China. Even today you can see boxcars and flat cars full of scrap metal going to China. I am afraid that most of North Korea's forests have been cut down and sold to China as well. While these measures have managed to stem starvation, they have not brightened North Korea's long-term economic potential.

But I would say that the greatest cause is the informal economy. North Koreans, despite obvious risks to their overall economic and political system, have permitted the growth of informal markets, barter, people selling what they grow in their private plots or what they grow on the hillsides, and those informal coping mechanisms have, in a sense, brought North Korea one or two steps back from the brink.

Conspicuously absent from this, however, is what economists would call real systemic reform of the economy. And that was very odd to me because there has been clearly an allowance made for micro-economic changes in the society, which are arguably politically far more risky. Why then have they not instituted meaningful changes on the macro level? They have experimented with special economic zones and things like that.

But to the best of my knowledge, the reason these changes have not taken place is because the North Korean leaders do not believe in a level playing field. For them, small countries are inherently at a disadvantage compared to large countries and, therefore, need to leverage their position or power or influence against large countries in order to gain benefits. So when you talk about opening the economy to international trade and competing on a level playing field in the international market, they simply do not believe it is possible or that kind of fair play exists at all.

So this becomes a problem for us as we move humanitarian aid into North Korea. We are constantly having to deal with stop-gap measures and the informal economy, and therefore, we pay way too much for certain things and way too little for others. My concern

is that even our efforts have not helped. They have helped the TB work, but they really have not helped grow North Korea's economy to a serious extent.

So while I do not argue that international or multilateral approaches to the nuclear issue and WMD are not necessary, I really would like to see someone focus on making North Koreans—the sanctions issue—making it possible for North Koreans to sell legitimate products that they might make to legitimate markets, and in this way encouraging the kind of change on the macro level that we have already seen on the micro level. Because I am afraid that while coping mechanisms on the micro level may help people from starving to death, ultimately the kinds of changes that we would like to see in a whole plethora of issues will not take place until people in power are genuinely convinced that if they make something in their society, put it in a container, send it to the United States or wherever, that they can compete fairly and openly on the international market and raise money in a legitimate, transparent fashion.

I will end here and thank you again for making this possible. It has been a lot of fun.

[The prepared statement of Dr. Linton follows:]

PREPARED STATEMENT OF STEPHEN W. LINTON, PH.D., CHAIRMAN, EUGENE BELL
FOUNDATION

Mr. Chairman, members of the Subcommittee, I am pleased to appear before you today to offer some of my insights on life in North Korea.

As an American, I believe that that I have been given a rare extended glimpse into North Korea that most foreigners are not allowed to see. Before I share some of my thoughts on this topic, allow me to give a brief explanation of these unique circumstances.

BACKGROUND

I grew up in Korea, the son of a third generation Southern Presbyterian missionary. My family lived in the South Korean countryside during a period of great economic hardship. At that time the infection rate for tuberculosis was about 5% of the general population. While attending a local Korean grade school, I contracted this disease. As a result, I spent nine months confined to my bedroom with my two brothers in 1956.

While recuperating from my second bout with tuberculosis in 1979, I first visited North Korea as an observer to an international table tennis meet. This visit encouraged me to focus my graduate research on North Korea. Upon completion of my degree at Columbia University, I taught Korean studies and worked as a consultant for a variety of North Korea-related projects, including an effort by the Reverend Billy Graham to develop relations with North Korea's leader, Kim Il Sung.

Eventually I had to make a choice between teaching and continuing North Korea work. When the North Korean government officially asked for assistance in 1995, I founded the Eugene Bell Foundation and began to coordinate shipments of donated food. In 1997, North Korea's Ministry of Public Health formally asked me to focus our organization's work on tuberculosis. Vice Minister Choe Chang Sik's knowledge of my own experience as a tuberculosis patient, as well as the fact that my parents had founded and directed a tuberculosis clinic and sanitarium in South Korea for thirty years, no doubt encourage him to make this request.

In response to this official request, since 1997 the Eugene Bell Foundation has focused on medical assistance to North Korea and now assists approximately 60 out of 80 North Korean hospitals and tuberculosis treatment facilities. Over the years, I have made close to 60 visits to North Korea and have traveled to every province in the country to assess needs and to monitor humanitarian assistance. The Eugene Bell Foundation has grown to be one of North Korea's primary sources for outside medical assistance, particularly for people who live in rural areas.

TRAGEDY FOLLOWED BY SLOW IMPROVEMENT

As many have documented in detail, North Koreans experienced a severe economic shock in the mid 1990's, a drastic economic downturn they blame on a series of natural disasters. By their own admission, North Korea's citizens, used to relying on dependable though modest government subsidies, were unprepared (and in all too many cases, unable) to adjust to a new economic order where survival depended on individual initiative. As a result, untold numbers starved to death. While traveling in the countryside in the spring of 1997 I witnessed hundreds of internally displaced people who were wandering the city streets, highways, and railroad tracks in a desperate search for food. Many of them drifted northward to the Chinese border as if following the shipments of corn and other foodstuffs that were trickling over the border from the PRC. The plight of these people was indescribable, a tragedy that I will never be able to forget.

Today, the life of the ordinary North Korean continues to be difficult almost beyond description. For South Koreans who are old enough to remember the 40's and 50's, the harsh economic realities of North Korea today would look familiar. Especially since the steep economic downturn of the 1990's, income from salaries and wages has not been enough to guarantee survival. As a result, North Koreans have had to turn to informal coping mechanisms. Even individuals who work in government ministries rely on outside sources of income to acquire the goods and services they need for their families.

Thankfully, the North Korean economy has slowly improved over the past few years. Although outsiders would have a hard time believing that what the average person eats could be an improvement, when compared to 1996 and 1997, the lives of its ordinary citizens has improved slightly. This is even in light of the fact that North Koreans still struggle with severe shortages of electricity, fuel for heating, and practically everything else.

The credit for a modest improvement in the standard of living in North Korea is threefold. Indubitably, foreign food assistance, particularly from the U.S., deserves a major share of tribute for saving and improving the life of the average North Korean. Despite evidence of diversion, the continual stream of aid from the outside has helped immeasurably. Evidence of the volume of foreign food assistance is visible not only in the fuller faces of the ordinary North Korean citizen but also in the ubiquitous food sacks stamped with slogans like "Donated by the USA" one can see all over North Korea.

Foreign economic assistance and barter trade has also played a major—if unmeasured role in the modest gains in the quality of life in North Korea. Of particular significance has been the agricultural assistance from the Republic of Korea (South Korea) that has made it possible for the North Korean peasant to grow more food. North Koreans have also shipped countless rail cars loaded with timber and scrap metal to China where they have bartered it for food and other necessities. Whole factories have been scrapped and shipped north, along with much of what remained of North Korea's forests. But although these measures may have stemmed some starvation, they have scarcely brightened North Korea's long-term economic potential.

The primary credit for North Korea's modest economic gains has been the informal economy. These so-called "informal coping mechanisms," including produce from private plots, farmer's markets, etc., adopted by North Korea's tough and resilient population, have halted North Korea's precipitous economic slide toward oblivion. Although the economic situation is still precarious, improvement in the over-all food supply has meant that some officials are beginning to refer to the "Arduous March" (North Korea's official euphemism for the famine) in the past tense.

BARRIERS TO ECONOMIC REFORM

Conspicuously missing from this picture of a slow improvement in quality of life is the structural reform needed to promote legitimate international trade. The absence of significant economic reform, moreover, threatens the modest gains made through aid and the informal economy, efforts that have only managed to pull North Korea's population back a few steps from disaster.

North Korea's attitude toward economic reforms is one of the most controversial topics among students of North Korea today. While some would argue that attempts to set up special economic zones and adjustments in currency represent a genuine willingness to embrace economic reform, these policies aimed at promoting economic growth have yet to make a meaningful impact on everyday life.

This fact is driven home time and time again in our humanitarian work in North Korea. Not only do we struggle with chronic shortages of electricity, bad roads and poor communications, but one particular problem arises time and time again to

challenge our efforts to deliver goods and services to North Koreans suffering from tuberculosis and other life-threatening diseases. This is none other than the inability of North Korea to move beyond an "informal economy" on the macro level. As a result, we pay too much for some things (like transportation) and not enough for others (like manpower). And what's worse, like other humanitarian aid efforts, our assistance does not contribute to North Korea's capacity to engage in legitimate economic activity.

During the 1960's and early 70's, North Korea enjoyed a period of economic growth and stability that old timers in the North still wistfully look back to. During that time, the average citizen lived without fear of famine or worry about how to acquire the necessities of life. The short decade made such a strong impression on the people living at the time, that many who remember it are reluctant to abandon the economic system that delivered North Korea's "Golden Age." The chief characteristic of North Korea's Golden Age was a public distribution system that provided citizens with a food and clothing ration, housing, education, and medical care free of charge. Although this state-supported standard of living would hardly satisfy South Koreans today, it meant that money was not needed for survival. As the state's public subsidy system faltered, North Korea's population has had to "retreat" toward a money-based economy where prices are determined by market principles rather than official fiat. This retreat turned into a rout in 1995.

Since the Arduous March, the informal economy has provided the bulk of goods and services to the average citizen. As more goods have become available, what began as a barter economy has become increasingly monetized, and prices have become a little more stable. Nevertheless, this economic reform on the micro level has yet to be embraced by the major institutions in North Korean society. As a result, while the private sector has made significant steps toward evolution toward a market economy, North Korea's official sector still lacks the mentality or mechanisms needed to normalize the exchange of goods and services or to permit competitive pricing, changes essential if North Korea is to profit from international trade. Instead, government ministries and agencies continue to rely on a plethora of informal mechanisms to profit from moneymaking ventures under their control. And while these methods are often ingenious, they do not grow the economy as they should.

One creative example of the workings of North Korea's informal economy at the international level is Hyundai's Diamond Mountain project. Instead of sharing risk with South Korean investors and accepting an agreed portion of the profits, related North Korean ministries collect "rent" for the use of this scenic area, regardless of whether the overall effort turns a profit or not. The result has been a massive ROK government funded subsidy to North Korea disguised as a tourist industry. As a result, North Korea's own tourist industry has learned very little from this venture about how to profit from international tourism.

What has made North Korea's officials so reluctant to promote the economic changes needed for competitive international trade? It goes without saying that North Korea's leadership is fearful of what might happen if its ordinary citizens are permitted to make the contacts with the outside needed to produce and ship legitimate merchandise. Clearly this concern is behind the attempts to set up "special economic zones" that can be quarantined from the general population. This kind of thinking is also behind the restrictions placed on humanitarian aid monitoring today. Thanks to humanitarian aid programs, North Koreans are far more relaxed in their dealings with foreigners today than they were only several years ago. Clearly, fear of people-to-people contacts is not the primary reason North Korea has not wholeheartedly embraced economic reforms.

FAIR PLAY AND SANCTIONS

Faith in fairness is essential to justify the risks of opening a closed economy to international trade, and North Korea's leadership has never believed in a world governed by fair play. Instead, they believe that nature as well as history has created a world of national "haves" and "have nots." In this view, because the world's natural resources are unequally distributed in favor of larger nations, smaller nations have to rely on diplomacy and influence (pressure) to acquire what they need. Not surprisingly, all their energies are exerted in acquiring the leverage needed to force foreign powers to take them seriously.

The primary "products" North Korea has to "sell" according to this perspective, are not the material goods that its people might produce, but instead the intangible "benefits" outsiders could gain through engagement itself. This was the reasoning behind North Korea's support for the Light Water Reactor Project. If it ultimately succeeded, North Korea hoped to gain not only electricity, but more importantly a much desired relationship with the United States. Whether or not the venture

would ever provide competitive electrical power had never entered into the equation at all.

Sadly, North Korea's perspective and suspicions regarding international affairs seem to be confirmed by the strong support for U.S.-led sanctions. In the North Korean way of thinking, sanctions "prove" that the economic playing field will never be level enough to permit their products to compete in the international arena. When seen from this perspective, North Korea's international and domestic policies are relatively easy to understand.

I do not mean to suggest, of course, that removing sanctions would result in an immediate embrace of economic reforms, much less in total transparency in North Korea's WMD programs. Still, it is unrealistic to expect implementation of significant structural reforms until North Korea's leaders are convinced that their products will be allowed to compete in international markets. Until that day, North Koreans will continue to blame others for their hardships rather than wholeheartedly embracing reform.

Not surprisingly, North Korea's ambivalence toward economic reform impacts the ordinary citizen most. While the informal economy may help stave off starvation, it can never provide the structure or legal protections needed to promote private sector business and industry; much less develop the partnerships with outsiders essential to promote trade. Until the day comes when its leaders are willing to risk real economic reforms, North Korean citizens will have to rely on the informal economy to get by from day to day. Clearly this is no way to build a prosperous future, but it may be the only way they can survive.

[Press Release—Thursday, May 29, 2003]

EUGENE BELL FOUNDATION DELEGATION RETURNS FROM 4-WEEK NORTH KOREA AID DELIVERY VISIT

Washington, DC—The Eugene Bell Foundation (EBF), a U.S.-based nonprofit organization that has provided medical aid to North Korea since 1995, recently completed a North Korea trip to the South Pyongan region.

"Despite ongoing tensions between the United States and North Korea, Eugene Bell projects have been warmly received and continue to make positive progress. This is proof that humanitarian aid can remain on a separate track from political considerations and may even work to reduce such instability," said Dr. Stephen W. Linton, EBF Chairman and Founder.

From April 19th to May 15th, the current trip included visits to 20 medical facilities and a children's hospital that the Foundation supports through its Partner Package Program, a system that strives to link donors with specific medical care institutions in North Korea. Medical aid is donated directly on-site to recipients in the names of their beneficiaries.

The team headed by Dr. Linton arrived to the country just before the border was officially closed by North Korean authorities due to SARS concerns. Once the group was determined to be "SARS-free," the Eugene Bell delegation was not hindered in traveling around the country. A majority of the facilities the Bell Foundation assists are located in the countryside.

"Over the past ten years, our humanitarian efforts have increasingly been met with more cooperation and enthusiasm. In accordance with rising levels of trust, the transparency of our programs has also drastically increased. Many people don't realize that this sort of transparency is even possible in North Korea, particularly by an American organization. While we have also had our share of disappointments, the key was sustained interest and continued engagement," stated Dr. Stephen Linton.

The Eugene Bell Foundation primarily focuses on the treatment and prevention of tuberculosis, North Korea's most serious public health concern. Since 1995, EBF currently supports 60 out of North Korea's 80 tuberculosis care facilities. Bell Foundation delegations regularly make site visits to institutions that aid is distributed to.

Senator BROWNBACK. Thank you, Dr. Linton. Thank you for your service in helping North Korean people.

Dr. Noland.

STATEMENT OF DR. MARCUS NOLAND, SENIOR FELLOW, INSTITUTE FOR INTERNATIONAL ECONOMICS, WASHINGTON, DC

Dr. NOLAND. Thank you, Senator Brownback. I am honored to be invited to address the subcommittee, and in my oral remarks I will summarize and extend my written testimony that has been submitted.

North Korea has been in economic decline for more than a decade. In the 1990s a famine killed perhaps 600,000 to a million people, which is to say I believe that the figure cited earlier by Mr. Natsios of 2.5 million is probably an exaggeration. In the end, it probably does not really matter whether it is 3 percent of the population or 5 percent or 10 percent. It was a bad experience. And paradoxically, while I think that Mr. Natsios was probably unduly negative in his description of the past, I think his description of the present was probably a bit optimistic.

Given the expenditure patterns of the regime—that is to say, its extreme preference for guns over butter—the economy does not produce enough output to sustain the population biologically, and the remaining population is increasingly aid-dependent and today is on the precipice of another famine.

Economic policy changes were undertaken in July 2002, and I would agree with Steve Linton, that I do not believe that these were really real reforms. I think they were attempts to revive a moribund system and had four components. One was micro-economic reforms or an attempt to marketize the economy to a certain extent. Second was macro-economic policy changes which had the effect of generating huge inflation. Third was the pursuit of special economic zones, and fourth was seeking aid or passing the hat.

Subsequent moves undertaken since July of last year have included a decree that all dollars in circulation have to be turned in for euros, which the central bank actually does not have, and the announcement in March of this year of what is called a bond initiative but, in fact, it is more like a lottery ticket initiative.

To understand the food availability situation, the unleashing of inflation is key. What the North Koreans did last year was raise the prices of grain by over 40,000 percent in terms of both procurement prices at the farm gate, in terms of the retail distribution price in the public distribution system. The problem is they had no mechanism for bringing these state prices in line with market prices, and because of the huge inflation that has occurred, market prices have continued to rise. And as a consequence, farmers continue to divert supply not into the PDS but rather into the market or they use the grain to produce liquor which they sell. So the reforms have not had the effect of bringing more food into the state-run system as anticipated. That is on the supply side.

On the demand side, what has happened is that there has been increasing social differentiation within North Korea, and with people increasingly reliant on the market to access food, most urban households are food-insecure.

In Mr. Natsios' written testimony, he referred to a nutrition study paid for by the World Food Program, UNICEF, and the EU, and argued that this had shown a big improvement in nutritional

status of North Korea since 1998. I believe that this study is simply not credible. Let me quickly explain why.

The first study these organizations did in 1998 found that 62 percent of North Korean children were stunted, that is, height for age; 62 percent were underweight, that is to say, weight for age; and 16 percent were wasted, that is a measure of weight based on height. The latter would make the situation in North Korea in 1998 50 percent worse than the contemporaneous situation in Sierra Leone which, as you know, had collapsed into virtual anarchy.

The 2002 study that Mr. Natsios referred to showed an incredible improvement of underweight infants, from 62 percent to 21 percent; and the stunted ones, from 62 percent to 42 percent. Low birth weights were 6.7 percent, which is actually better than the United States level of 7.6 percent.

How do we explain this stunning improvement in 4 years?

Well, it could be just miraculous. That is possible.

It could be the fact that the North Koreans do not allow foreign aid agencies to use Korean speakers, and traditionally Koreans date age from conception not from birth. You are essentially 1 year old when you are born. My supposition is in 1998 they sent people into the countryside who systematically misinterpreted people's responses about the age of these children. They systematically overestimated their ages. That is why you get these incredible numbers of stunting and so on, and that is why the age-related measures improved so dramatically in 4 years. It is not that the situation actually improved. It is just a statistical artifact.

In any event, none of these studies covered two of the provinces of North Korea, so they not have a representative sample.

So to recap, basically the economic program is failing and I would argue the country is on the verge of lurching back into famine. It did not have to be this way. Morocco is a country which is about the same size, and in certain respects, economically similar to North Korea. It also experienced a big fall in domestic output of grain in the late 1990s, but Morocco did not experience a famine. The reason is they exported, earning foreign exchange, and they borrowed money on international markets, purchasing grain on a commercial basis from countries like the United States, Argentina, and Australia which are more capable of producing it efficiently.

Ultimately the only sustainable solution to the food situation in North Korea is an opening up of the North Korean economy, the exportation of industrial products and the purchase of bulk grains on the international markets. Domestic production and aid are not sustainable solutions to this problem.

Thank you very much.

[The prepared statement of Dr. Noland follows:]

PREPARED STATEMENT OF MARCUS NOLAND¹, SENIOR FELLOW, INSTITUTE FOR INTERNATIONAL ECONOMICS

The Democratic People's Republic of Korea (DPRK) or North Korea has been experiencing an on-going food crisis for more than a decade. A famine in the late 1990s resulted in the deaths of perhaps 600,000 to 1 million people out of a pre-famine population of roughly 21 million. Since then, a combination of humanitarian food aid and development assistance has ameliorated the situation somewhat, but ac-

¹The views expressed in this statement are those of the author and do not necessarily reflect the views of individual members of the Institute's Board of Directors or Advisory Committee.

according to the World Food Programme (WFP) and other observers, the country is once again on the precipice of another famine.

Given the expenditure preferences of the regime, the North Korean economy does not produce enough output to sustain the population biologically, and population maintenance is increasingly aid-dependent. Yet the October 2002 revelation of a nuclear weapons program based on highly enriched uranium (in addition to a plutonium-based program acknowledged a decade earlier), undertaken in contravention of several international agreements, and North Korea's subsequent withdrawal from the Nuclear Nonproliferation Treaty have put continued international assistance in doubt.

The situation is further complicated by internal economic policy changes initiated in mid-2002. In this regard, this testimony will make three basic points:

- Food availability is precarious, and it would not be surprising to observe increases in mortality.
- Industrial revitalization is the only sustainable solution to the food crisis.
- North Korea is likely to continue a policy of muddling through, implying a continuation of the food emergency.

RECENT DEVELOPMENTS

In July 2002, the government of North Korea announced changes in economic policy that could be regarded as having four components: marketization, inflation, special economic zones, and aid-seeking.

Marketization

With respect to food, the government has implemented a policy of increasing the procurement prices of grains (to increase the volume of food entering the public distribution system [PDS]) along with dramatically increasing PDS prices to consumers, with the retail prices of grains rising from 40,000 to 60,000 percent in the span of six months during the first half of 2002. On the supply side, the increase in agricultural procurement prices was presumably undertaken to increase the actual amount of food entering the PDS. Yet North Korean agriculture is highly input-intensive (i.e., it makes extensive use of chemical fertilizers and insecticides, electrically powered irrigation etc.), and the ultimate impact of the reforms on agricultural yields could be strongly influenced by what happens in the industrial sector. Moreover, while PDS prices have remained largely unchanged since 1 July, 2002, market prices have increased significantly, and it is unclear if the policy is having its intended effect or if farmers are diverting output to the market.

On the demand side, the government appears to be trying to ensure survival rations through the PDS—the rationing system through which most people historically obtained food—with food purchased in the market supplementing the PDS rations for those who can afford it. Some have questioned the extent to which this is a real policy change and how much this is simply a ratification of system-fraying that had already occurred—there is considerable evidence that most food, for example, was already being distributed through markets, not the PDS. But this may indeed be precisely the motivation behind the increases in producer prices—with little supply entering the PDS, people increasingly obtained their food from non-state sources, and by bringing more supply into state-controlled channels, the government can try to reduce the extent to which food is allocated purely on the basis of purchasing power. Indeed, given the growing inequality in the distribution of income and wealth within North Korea, which could be expected to accentuate differences in access to food and the already highly stressed nature of the North Korean society, it would not be surprising to observe increases in mortality rates. The state may also be motivated by broader anti-market ideological considerations as discussed below. Yet another motivation may be to reduce the fiscal strain imposed by the implicit subsidy provided to urban consumers.

In the industrial sector, the policy changes could be interpreted as an attempt to implement a Chinese-style dual-price strategy. In essence, the Chinese instructed their state-owned enterprises to continue to fulfill the plan, but once planned production obligations were fulfilled, the enterprises were free to hire factors and produce products for sale on the open market. In other words, the plan was essentially frozen in time, and marginal growth occurred according to market dictates. Enterprises have been instructed that they are responsible for covering their own costs—that is, no more state subsidies. Yet it is unclear to what extent managers have been given the power to hire, fire, and promote workers, or to what extent remuneration will be determined by the market. Moreover, there has been no mention of the military's privileged position within the economy, and domestic propaganda continues to emphasize a “military-first” political path.

The state has administratively raised wage levels, with certain favored groups such as military personnel, party officials, scientists, and coal miners receiving supernormal increases. (For example, it has been reported that the wage increases for military personnel and miners have been on the order of 1,500 percent, that for agricultural workers may be on the order of 900 percent, but the increases for office workers and less essential employees are less.) This alteration of real wages across occupational groups could be interpreted as an attempt to enhance the role of material incentives in labor allocation.

The state continues to maintain an administered price structure, though by fiat, the state prices are being brought in line with prices observed in the markets. This is problematic (as it has proven in other transitional economies): the state has told the enterprises that they must cover costs, yet it continues to administer prices, and in the absence of any formal bankruptcy or other "exit" mechanism, there is no prescribed method for enterprises that cannot cover costs to cease operations, nor, in the absence of a social safety net, how workers from closed enterprises would survive. What is likely to occur is the maintenance of operations by these enterprises supported by implicit subsidies, either through national or local government budgets or through recourse to a reconstructed banking system. Indeed, the North Koreans have sent officials to China to study the Chinese banking system, which although may well have virtues, is also the primary mechanism through which money-losing state-owned firms are kept alive.

The consensus among most outside observers is that, at this writing, marketization has not delivered as hoped. The behavior of enterprise managers appears to be similar to that observed prior to the policy changes. The jury is still out on the impact on the agricultural system, since the impact of changed incentives would not be readily apparent until the 2003 spring planting decisions.

Inflation

At the same time the government announced the marketization initiatives, it also announced tremendous administered increases in wages and prices. To get a grasp on the magnitude of these price changes, consider this: when China raised the price of grains at the start of its reforms in November 1979, the increase was on the order of 25 percent. In comparison, North Korea has raised the prices of corn and rice by more than 40,000 percent. In the absence of huge supply responses, the result will be an enormous jump in the price level and possibly even hyperinflation. Access to foreign currency may act as insurance against inflation, and in fact, the black market value of the North Korean won has dropped steadily since the reforms were announced. At the same time, the government apparently continues to insist that foreign-invested enterprises pay wages in hard currencies (at wage rates that exceed those of China and Vietnam). This curious policy has the effect of blunting the competitiveness-boosting impact of the devaluation by aborting the adjustment of relative costs.

Moreover, when China began its reforms in 1979, more than 70 percent of the population was in the agricultural sector. (The same held true for Vietnam when it began reforming the following decade.) In contrast, North Korea has perhaps half that share employed in agriculture. This has two profound implications: first, the population share, which is directly benefiting from the increase in producer prices for agricultural goods, is roughly half as big as in China and Vietnam. This means that reform in North Korea is more likely to create losers and with them the possibility of unrest. Second, the relatively smaller size of the agricultural sector suggests that the positive supply response will not be as great in the North Korean case as compared to China or Vietnam either. Again, this increases the likelihood of reform, creating losers and unrest.

Those with access to foreign exchange, such as senior party officials, will be relatively insulated from this phenomenon. Agricultural workers may benefit from "automatic" pay increases as the price of grain rises, but salaried workers without access to foreign exchange will fall behind. In other words, the process of marketization and inflation will contribute to the exacerbation of existing social differences in North Korea. The implications for "losers" could be quite severe. According to a WFP survey, most urban households are food insecure, spending more than 80 percent of their incomes on food.

Make no mistake about it: North Korea has moved from the realm of elite to the realm of mass politics. Unlike the diplomatic initiatives of the past several years, these developments will affect the entire population, not just a few elites. And while there is a consensus that marketization is a necessary component of economic revitalization, the inflationary part of the package would appear to be both unnecessary and destructive. (If one wanted to increase the relative wages of coal miners by 40 percent, one could simply give them a 40 percent raise—one does not need to in-

crease the overall price level by a factor of 10, and the nominal wages of coal miners by a factor of 14 to effect the same real wage increase.)

So why do it? There are several possible explanations, but in the interests of brevity I will focus on one: namely that the inflation policy is intentional and is a product of Kim Jong-il's reputed antipathy toward private economic activity beyond state control. One effect of inflation is to reduce the value of existing won holdings. (For example, if the price level increases by a factor of 10, the real value of existing won holdings is literally decimated.) Historically, state-administered inflations and their cousins, currency reforms, have been used by socialist governments to wipe out currency "overhangs" (excess monetary stock claims on goods in circulation), more specifically to target black marketers and others engaged in economic activity outside state strictures, who hold large stocks of the domestic currency. (In a currency reform, residents are literally required to turn in their existing holdings—subject to a ceiling, of course—for newly issued notes.) In July it was announced that the blue ("foreigner's") won foreign exchange certificates would be replaced by the normal brown ("people's") won, though it is unclear if these are convertible into foreign currency. The other shoe dropped in December 2002 when the authorities announced that the circulation of US dollars was prohibited and that all residents, foreign and domestic alike, would have to turn in their dollars to be exchanged for euros which the central bank did not have. In the case of North Korea, the episode that is now unfolding will be the fourth such one in the country's five-decade history.

In yet another wheeze to extract resources from the population, in March 2003 the government announced the issuance of "People's Life Bonds," which despite their name would seem to more closely resemble lottery tickets than bonds as conventionally understood. These instruments have a 10-year maturity, with principal repaid in annual installments beginning in year five (there does not appear to be any provision for interest payments and no money for such payments has been budgeted). For the first two years of the program, there would be semi-annual drawings (annually thereafter) with winners to receive their principal plus prizes. No information has been provided on the expected odds or prize values other than that the drawings are to be based on an "open and objective" principle. The government's announcement states, without irony, that "the bonds are backed by the full faith and credit of the DPRK government." Committees have been established in every province, city, county, institute, factory, village, and town to promote the scheme—citizens purchasing these "bonds" will be performing a "patriotic deed." Both the characteristics of the instrument and the mass campaign to sell it suggest that politics, not personal finance, will be its main attraction.

The hypothesis has the strength of linking what appears to be a gratuitous economic policy to politics—Kim Jong-il not only rewards favored constituencies by providing them with real income increases and by going the inflation/currency reform route but he also punishes his enemies. This line of reasoning is not purely speculative: it has been reported that one of the motivations behind unifying prices in the PDS and farmers' markets has been to reduce the need of consumers to visit farmers' markets and to "assist in the prevention of illegal sales activities" that took place when the price in the farmers' market was much higher than the state price. A number of unconfirmed reports indicate that the government has placed a price ceiling on staple goods in the farmers' markets as an anti-inflationary device. The increase in the procurement price for grain has reportedly been motivated, at least in part, to counter the supply response of the farmers, who were diverting acreage away from grain to tobacco and using grain to produce liquor for sale.

The problem with this explanation is that having gone through this experience several times in the past, North Korean traders are not gullible: they quickly get out of won in favor of dollars, yen, and yuan, and the black market value of the won has declined steadily since the policy changes were announced. (Indeed, even North Koreans working on cooperative farms reportedly prefer trinkets as a store of value to the local currency.) As a consequence, these blows, aimed at traders, may fall more squarely on the North Korean masses, especially those in regions and occupations in which opportunities to obtain foreign currencies are limited.

Special Economic Zones

The third component of the North Korean economic policy change is the formation of various sorts of special economic zones. The first such zone was established in the Rajin-Sonbong region in the extreme northeast of the country in 1991. It has proved to be a failure for a variety of reasons including its geographic isolation, poor infrastructure, onerous rules, and interference in enterprise management by party officials. The one major investment has been the establishment of a combination hotel/casino/bank. Given the obvious scope for illicit activity associated with such a

horizontally integrated endeavor, the result has been less Hong Kong than Macau North.

In September 2002 the North Korean government announced the establishment of a special administrative region (SAR) at Sinuiju. In certain respects the location of the new zone was not surprising: the North Koreans had been talking about doing something in the Sinuiju area since 1998. Yet in other respects the announcement was extraordinary. The North Koreans announced that the zone would exist completely outside North Korea's usual legal structures; that it would have its own flag and issue its own passports; and that land could be leased for fifty years. To top it off, the SAR would not be run by a North Korean but by a Chinese-born entrepreneur with Dutch citizenship, named Yang Bin, who was promptly arrested by Chinese authorities on tax evasion charges.

Ultimately, the planned industrial park at Kaesong, oriented toward South Korea, may have a bigger impact on the economy than either the Rajin-Sonbong or Sinuiju zones.

Aid-seeking

The fourth component of the economic plan consisted of passing the hat. In September 2002, during the first-ever meeting between the heads of government of Japan and North Korea, Chairman Kim managed to extract from Prime Minister Koizumi a commitment to provide a large financial transfer to North Korea as part of the diplomatic normalization process to settle post-colonial claims, despite the shaky state of Japanese public finances. However, Kim's bald admission that North Korean agents had indeed kidnapped 12 Japanese citizens and that most of the abductees were dead set off a political firestorm in Japan. This revelation, together with the April 2003 admission that North Korea possesses nuclear weapons in contravention to multiple international agreements, has effectively killed the diplomatic rapprochement and with it the prospects of a large capital infusion from Japan, as well as already dim prospects of admission to international financial institutions such as the World Bank and Asian Development Bank.

CONCLUSIONS

North Korea is into its second decade of food crisis. It experienced a famine in the 1990s that killed perhaps 3 to 5 percent of the pre-famine population. Yet remarkably little has changed since then; grain production has not recovered; and inexpertly enacted policy changes, a deteriorating diplomatic environment, donor fatigue, and an utterly ruthless government have brought the country once again to the precipice of famine.

It did not have to be this way. Morocco, for example, a country of similar size and in certain respects with similar economic characteristics as the DPRK, suffered a similar fall in domestic output in the late 1990s, but a combination of increased exports and increased foreign borrowing allowed it to cover its food deficit through imports. Times were hard, but Morocco did not experience famine.

Unlike other communist countries that have experienced famine, the case of North Korea represents less the introduction of misguided policies than the cumulative effect of two generations of economic mismanagement and social engineering. As a consequence, the policies are so imbedded in the social and political fabric of the country that they may well prove more difficult to reverse than has been the case elsewhere. The country could improve food availability by freeing up resources currently devoted to the military, but as long as the country pursues "military-first" politics, this is unlikely.

Aid is not a viable long-term solution to the North Korean food crisis—the food gap is too large, and the political sustainability of aid too precarious. And while incentive reforms could contribute to productivity increases in agriculture, given the economic fundamentals of the DPRK—a high ratio of population to arable land, relatively high northerly latitude, and short growing season—it is doubtful whether a food security strategy based on domestic agricultural revitalization is advisable either. Only trade-opening strategies in the industrial sector and systemic reforms are likely to meet human needs and obviate the need for concessional assistance.¹ The ultimate resolution to North Korea's food problem requires the revitalization of its industrial economy. To achieve food security, North Korea should open up externally; export manufactures, mining products, and some niche agricultural, forest,

¹For substantiation, see the simulations reported by Marcus Noland, Sherman Robinson, and Tao Wang, "Famine in North Korea: Causes and Cures," *Economic Development and Cultural Change* 49, no. 4 (2001).

and fisheries products; and import bulk grains—like its neighbors South Korea, China, and Japan do.

Such a prospective development, in turn, is hampered by both domestic and external impediments. It is not at all clear that the current leadership is willing to countenance the erosion of state control that would accompany the degree of marketization necessary to revitalize the economy. The opposite would seem more plausible, namely, that Kim Jong-il has reluctantly concluded that the old methods are inadequate to revive the economy and out of political necessity is embracing marketization, inflation, and the former colonial master in a desperate bid to revitalize—though not fundamentally change—a moribund system. If this interpretation is correct, then we should expect hesitancy in the implementation of reforms and a strong reliance on the international social safety net supplied by the rest of the world. In this respect the outcome of the diplomatic maneuvering over the North Korean nuclear weapons program is of critical importance.

Even if a serious reform program were attempted, it is by no means preordained that such a program would be successful. The three robust predictors of success in reforming centrally planned economies are the degree of macroeconomic stability at the time that reform is initiated; the legacy of a functional pre-socialist commercial legal system; and the size of the agricultural sector.² North Korea is already experiencing significant macroeconomic instability and in terms of the sectoral composition of output and employment, the North Korean economy more closely resembles Romania and parts of the former Soviet Union than it does the agriculture-led Asian reformers, China and Vietnam.³ Finally, the divided nature of the Korean peninsula and dynastic aspects of the North Korean regime present real ideological and political problems for would-be reformers in the North, namely how to re-interpret the *juche* ideology of the virtually deified founding leader Kim Il-sung as market-oriented globalization (especially when most of the increased economic interdependence would be with rival South Korea and former colonial master Japan), and indeed, how to preserve the whole *raison d'être* of the regime as it begins to look increasingly like a third-rate South Korea.

Even if the North were able to successfully navigate these shoals domestically, it is hard to see the initiative coming to fruition as long as the country remains, in essence, a pariah state, brandishing its nuclear weapons and missiles, subject to continual diplomatic sanctions by the United States, Japan, and other powers. Capital is a coward and foreigners will not invest in such an environment. There will be no permanent solution to the North Korean food crisis until there is a resolution of its profound diplomatic problems, and indeed, the diplomatic disputes have already substantially impeded the humanitarian aid program and its ameliorative impact. If a reduction of external tensions could be achieved, however, it would not only pave the way for expanded commerce but also could potentially yield a sizable peace dividend that would facilitate increased food imports.

Even this would not be easy, however. North Korea is not a member of the International Monetary Fund or any of the multilateral development banks, and, to date, contact with these organizations has been minimal, limited to a couple of informational missions of brief duration. As multiple observers have emphasized, the DPRK's institutional capacity for managing development projects is woeful. In all likelihood, a prolonged period of technical assistance and capacity-building would be needed before substantial lending could occur. Once lending was underway, the initial focus would have to be on rehabilitating North Korea's badly deteriorated infrastructure as a necessary precursor to expanded private investment, for example by improving transportation links between mining areas and ports. The upside, of course, is that the degree of isolation and distortion embodied in the North Korean economy is so profound that with policy reform, investment and technology transfer, and expanded ties to the outside world (or even its immediate neighbors), the potential efficiency gains are enormous.⁴

And what if the diplomatic tumblers do not fall into place? The leadership of the DPRK regards "survival" as the first in a lexicographic set of preferences, and the regime has a history of confounding predictions of its demise. Moreover, for the last decade it has been enabled by neighbors who, for their own reasons, prefer its continued existence to its disappearance. The amount of external assistance necessary

²See Anders Aslund, Peter Boone, and Simon Johnson. "How To Stabilize: Lessons from Post-Communist Countries," *Brookings Papers on Economic Activity* 1: 217-313 (1996).

³See Marcus Noland, *Avoiding the Apocalypse: The Future of the Two Koreas*, Washington, Institute for International Economics, (2000).

⁴See Marcus Noland, Sherman Robinson, and Tao Wang, "Rigorous Speculation: The Collapse and Revival of the North Korean Economy," *World Development* 28, no. 10 (2000) pp. 1767-88.

to keep it on “survival rations” is not large.⁵ Considerable research suggests that in the absence of a firm ideological commitment to reform, the provision of aid impedes policy change by enabling governments to avoid difficult and painful policy choices. There is little evidence that North Korea is seriously committed to reform—as opposed to regime maintenance—and as a consequence, it is reasonable to suppose that the availability of outside assistance will encourage the perpetuation of a strategy of muddling through. The problem is that such a strategy in all likelihood implies the continuation of the food crisis.

Senator BROWNBACK. Thank you, Dr. Noland. Thank you for putting that so succinctly, all of the testimony have put so succinctly.

Dr. Noland, I just want to start briefly with you, if I could. As I mentioned, I do not have a long time before this vote, so concise answers would sure be appreciated.

You suppositioned—and I really take Dr. Linton as well—that North Korea, to have any sort of stable situation for the people, has to engage the international community in a normalized situation is what, I take it, you would conclude with. First, is that accurate?

And I guess I would just challenge, it does not look like to me that anything is likely to happen very soon with the wrestling match that is going on about weapons, drug-running, refugees, gulags. And you have got a pretty tough system here that has got a lot to change before it is going to engage the international system.

Dr. NOLAND. North Korea has a very high ratio of people to arable land. It is at a fairly high northerly latitude, has short growing seasons. It makes no sense for North Korea to try to achieve food security through self-sufficiency.

Aid is precarious for the reasons you just mentioned—it is dependent on the diplomatic situation and that looks very bad.

I do not believe the regime is interested in economic reform as we would understand it. It is simply trying to preserve itself. As a consequence, I think the most likely outcome is a continuing muddling through, which unfortunately implies a continuation of the food crisis.

Dr. LINTON. Could I add something to that? Again, I would like to get back to the point. I agree with Marcus that these folks have to create products and sell them on the international market in order to get ahead. In fact, that would be the best way to wean them off of some of the less legal ways that they have of generating hard currency. There is no question about that.

But again, they really do not think that option is being given them, and I think absent some kind of limited opening on the sanctions issue that might allow them to manufacture and sell items related to life, shoes, clothing, whatnot, without that, they will probably continue to rely on mechanisms that we would not approve of to gain hard currency. Those are the options that they have to live with.

Again, this mentality in their elite that the world is not a fair place and everybody has to use leverage and pressure in order to get what they want is in a sense a counter-market mentality that really needs to be challenged. So I would say that especially the United States with its resources that it has already put in there,

⁵ See Anthony Michell, “The Current North Korean Economy,” in Marcus Noland ed. *Economic Integration on the Korean Peninsula*, Washington: Institute for International Economics (1998).

if these resources could go in a way that encourages them to do real economic trade, that we might as a secondary balance begin to see some improvement in some of these other areas. But if we front-load it with requirements for concessions on this, that, and the other, we may just have a society that just bogs down, as Marcus has said, and muddles along and prolongs the misery for everyone.

Senator BROWNBACK. Just as you say that, though, this regime can choose to walk away from nuclear weapons development, or it could choose to walk away from a gulag system. This is one of the great repressive regimes that is left in the world. I think history shows that the path they have chosen has been horrific for their own people. They have the choice to do that as a regime.

Dr. LINTON. I think they clearly have the choice, and I would divide the gulag issue from the nuclear weapons issue. I do think though—and I am not trying to justify them in the process, but their own paranoia about survival is going to make it very difficult to walk away from some kind of suspicion that they may have some weapon. I think you can again cut down on the proliferation, and I think as an economy in East Asia, certainly as we have found in China, as an economy opens up and engages with the real world, a lot of the other problems, indirectly human rights problems as well, begin to go away.

I do not think, though, that unless they engage or are given the opportunity to engage, that these problems are going to go away at the rate that we would like. Everybody knows where they want to go. It is a question of how you want to get there. North Korea has been vilified and condemned more than any nation that I know of in recent history, and it has not really helped much.

Senator BROWNBACK. And it has probably deserved it more—

Dr. LINTON. And it may deserve it, but it just has not worked. That is my point.

Senator BROWNBACK. Ms. Fenton, if I could, for you. The issue of what the Chinese are doing is clearly harmful to the North Koreans. In my experience of traveling to China and meeting with the Chinese leaders about this, going to the Chinese/North Korean border, they are not helping with this situation, the repatriation. What is it that we can do to really impress upon the Chinese that they are, in many respects, causing much of this huge level of suffering by thousands, if not millions, of North Koreans?

Ms. LIANG-FENTON. I think they are aware of that problem, but I think their imperative is to thwart a potential flood of refugees into the country. They do not want the economic or social burden of caring for an untold number of North Koreans if the border region becomes more relaxed. This was one of the reasons why they increased their crackdowns after the March rushing of the Spanish Embassy, the 25 North Korean defectors, the first very public display of that kind of escaping from North Korea. I think that is one of their main concerns. They do not want to open themselves up to having to look after an untold number of refugees.

Senator BROWNBACK. Are there other things you would suggest we do? You mentioned several in here about really getting the UNHCR to stand its ground of what it is entitled to do, to have the agreements that China has signed onto come into force on the

refoulment that they are doing with North Korean refugees. Are there other ways that we can press on China to stand by the obligations that they have entered into?

Ms. LIANG-FENTON. Well, when they were placing their bid for the 2008 Olympics, this might have been an area where governments could use leverage. We understand you are mistreating North Korean refugees. We understand you want to host the 2008 Olympics. Is there a way that we can improve your chances, I guess, tacitly speaking, if you improve your treatment toward these people?

Senator BROWNBACK. So maybe watch for another point that may come along.

Ms. LIANG-FENTON. Another point of entry, yes, with China to latch onto a hook that—if we can use something that they want to help secure some protections for the refugees, that might be effective.

It will be hard to get to China. They have a lot of other priorities. I think we can press for them to adhere to the agreements with the UNHCR, but we can also press for the UNHCR to invoke binding arbitration. They have not done that. I have heard testimonies that in Beijing they treat asylum seekers as nuisances. This is the international agency designed to help asylum seekers, and I think that would be a good entry for the U.S. Government to work with the U.N. to make sure that they are able to access the asylum seekers along the border region through this agreement with China.

Senator BROWNBACK. It has been my assessment of the U.N. High Commissioner on Refugees that he has been feckless in dealing with China, particularly on North Korean refugees.

Dr. Hassig, you stated in your testimony that North Korea is basically an economy or a country that runs on bribes now.

Dr. HASSIG. Yes.

Senator BROWNBACK. Do you have any thoughts or experience about how long is that sustainable that a country runs on bribes? Do we have any experience of that? North Korea does seem to be following a model of a number of other economies, state-owned systems. When they fall down, they fall to the system because they just look for some way to survive. Are we in for a long period of this, or is it likely to change sometime soon to move away from a country run on bribes?

Dr. HASSIG. It is a very tough question to come up with a very clean answer. But in a recent North Korean study, I had an opportunity to interview a Russian specialist as well as a high ranking official from Poland, who both of them visited North Korea many times both during the Kim Il-sung and Kim Jong-il era. And both specialists basically explained that the analogy and similarity between the corruption of former Soviet Union and Eastern Europe on the one hand and corruption in North Korea on the other hand, was frighteningly similar. They predicted that North Korea's days are numbered, maybe you can count them on your fingers. But these two men are from a Judeo-Christian background, they are Western analysts.

In my understanding, North Korea's strength is that it is a Confucian family oriented traditional society that has survived from the 19th century to the 21st century, in the sense that in North

Korean society, people are completely cutoff from outside information. Without their knowing about alternatives, I think the Kim Jong-il system is very strong. So as long as Kim Jong-il and his top cadres have the power to control, I think no matter what kind of corruption exists in North Korean society, people will go to their deaths instead of staging any kind of revolution. So in that sense my answer is very pessimistic, unless we do something about bringing news to North Korea.

Senator BROWNBAC. Unless we do something about bringing news to North Korea.

Dr. HASSIG. Yes. As a matter of fact, I would like to present a publication that I did for my institute. It was an internally supported research grant study after my book was published. One of my recommendations in that book was that the North Korean people should decide their own fate. We have not given the North Korean people a chance to choose how they live. We have basically dealt with only the North Korean high level political leaders because we were driven by proliferation concerns. So this is the time maybe to think about how to bring the real news about the global world. Then let the people choose.

My thinking is based on the fact that I came from South Korea originally. When I grew up, I grew up in a very, very totalitarian society, almost close to North Korean style: a dictatorial, military regime that cut its people off from all outside relationships. And if I remember correctly, in my high school days when I was reading Newsweek given to me by an American missionary friend, it was confiscated because it contained some bad remarks about the first military leader, President Park. And yet, because we South Koreans were eventually given the freedom to learn about the outside world, we changed the South Korean regime. So in that sense, bringing the news into North Korea is the first order of priority, in my understanding.

And I will leave this publication for your reference and future study.

Senator BROWNBAC. Very good.

There is some indication that information is starting to get into North Korea, and we have had panelists testify here today even about that. That is what I am continuing to get. More and more people that have gotten out or even refugees that have gotten out and then are repatriated back in, they are seeing things that they had not heard of before.

Dr. HASSIG. If I may interject one thing. Since I speak North Korean dialect—my parents were born in Pyongwon County which is considered to be North Korea's Fairfax County. That county has produced a lot of professional elite, it is one of the richest counties. I learned how to speak the North Korean dialect, and when Radio Free Asia recently asked me to be an informal adviser, I accepted. And I delivered a weekly commentary describing how Americans live and why we are living in this way under different leadership—delivered in Pyongwon dialect. I have been told that some defectors who listen to Radio Free Asia have been encouraged to look for an escape route.

Dr. LINTON. Senator, can I say one thing about this? We have a very, I think, wise and judicious policy of engaging North Korea on

diplomatic and nuclear-related issues in a multilateral context. Nothing works better, however, than bilateral contexts in terms of humanitarian aid. I think our foundation is an example of that because we are known as an American operation. So while maintaining a multilateral approach on the nuclear and weapons issues, we really need to get more Americans—and I do not mean just regular Americans, but I mean government Americans—on the ground in North Korea because it proves itself again and again that the more access that is permitted and the more projects that go on in North Korea, the more they begin to have a better sense of what the real world is like and the more they begin to feel that perhaps the United States is not just only a hostile place.

So I would really argue for a bilateral humanitarian effort. We say again and again that politics is separate from humanitarian issues, but then we go ahead and negotiate these things on the same table. I think we could teach the North Koreans a lot if we would do that, and it would probably lead to an intersection and eventually to the kinds of internal changes that we have seen in China.

Senator BROWNBACK. We put a lot of bilateral aid, as you know, into North Korea. The United States does.

Dr. LINTON. It is channeled through the U.N. which is the problem. The North Koreans ask again and again on the food issue. They said why does the U.S. Government not send State Department officials to deliver this aid. We will take them to the countryside. And we ought to take them up on that.

Senator BROWNBACK. Is it labeled in U.S. sacks?

Dr. LINTON. It is labeled in U.S. sacks, but it goes through an international agency. The worst part of it is Americans are not passing it out. We really need to get American diplomats, not only in Pyongyang, but throughout the country continuously engaged in humanitarian issues. And I would guarantee you, over a period of time, you would see a significant change in that society toward the United States.

Senator BROWNBACK. We will see about that. That regime could certainly choose that course as well.

I want to thank the panelists for being here today for talking about the needs in the society. This is a different area that has not had as much focus that I think it clearly needs to have. There is a huge number of issues that the regime is causing to take place throughout, and what we hope to show is the true level of suffering that happens to the people as a result of this regime and, I might add, the Chinese not helping out the people of North Korea either.

Thank you very much for joining us here today. It has been a very positive, very good hearing.

[The prepared statement of the United States Commission on International Religious Freedom follows:]

PREPARED STATEMENT OF U.S. COMMISSION ON INTERNATIONAL RELIGIOUS FREEDOM

INTRODUCTION

The people of the Democratic People's Republic of Korea (North Korea or DPRK) are arguably the least free on earth, barely surviving under a totalitarian regime that denies basic human dignity and lets them starve while pursuing military might and weapons of mass destruction. By all accounts, there are no personal freedoms of any kind in North Korea, and no protection for human rights. Religious freedom

does not exist, and what little religious activity that is permitted by the government is apparently staged for foreign visitors.

North Korea is also a humanitarian disaster of unimaginable proportions. Failed economic policies and natural disasters have reportedly left 1 million or more North Koreans dead from starvation and disease in the last 10 years, and there may be countless millions more, particularly children, who are stunted in both their mental and physical growth. As awful as the physical toll has been, the deprivation of the human spirit must be even greater. Just how bad the situation is in North Korea is not known, since the ruling regime maintains strict control over communication media and the flow of information into and out of the country.

RELIGIOUS FREEDOM CONDITIONS

Religious freedom remains non-existent in North Korea, where the government has a policy of actively discriminating against religious believers. The North Korean state severely represses public and private religious activities. The Commission has received reports that officials have arrested, imprisoned, tortured, and sometimes executed North Korean citizens who are found to have ties with overseas Christian evangelical groups operating across the border in China, as well as those who engage in unauthorized religious activities such as public religious expression and persuasion. Although access to updated information about North Korea remains limited, by all accounts, including testimony delivered at the Commission's hearing on North Korea in January 2002, there has not been any improvement in the conditions for religious freedom in the past year.

In recent years, the government has formed several religious organizations that it controls for the purpose of severely restricting religious activities in the country. For example, the Korean Buddhist Federation prohibits Buddhist monks from worshipping at North Korean temples. Most of the remaining temples that have escaped government destruction since the Korean War are regarded as cultural relics rather than religious sites. Similarly, the Korean Christian Federation restricts Christian activities. Following the reported wholesale destruction of over 1,500 churches during Kim Il Sung's reign (1948-1994), two Protestant churches and a Roman Catholic church, without a priest, opened in Pyongyang in 1988, even though the absence of a priest for Roman Catholics means that Mass cannot be celebrated and most sacraments cannot be performed. Several foreign residents have reported that they regularly attend services at these churches and that it is clear that whatever public religious activity exists, such as services at these churches, is staged for their benefit.

Persons found carrying Bibles in public or distributing religious literature, or engaging in unauthorized religious activities such as public religious expression and persuasion are arrested and imprisoned. There continue to be reports of torture and execution of religious believers. Although the practice of imprisoning religious believers is reportedly widespread, the State Department has been unable to document fully the number of religious detainees or prisoners. The Commission learned from testimony by defectors and experts at its January 2002 hearing, as well as subsequent reports, that prisoners held on the basis of their religious beliefs are treated worse than other inmates. For example, religious prisoners, especially Christians, are reportedly given the most dangerous tasks while in prison. In addition, they are subject to constant abuse from prison officials in an effort to force them to renounce their faith. When they refuse, these religious prisoners are often beaten and sometimes tortured to death.

Officials have stratified North Korean society into 51 specific categories on the basis of family background and perceived loyalty to the regime. Religious adherents are by definition relegated to a lower category than others, receiving fewer privileges and opportunities, such as education and employment. Persons in lower categories have reportedly been denied food aid. Thousands of North Koreans have fled to China in recent years. Refugees who are either forcibly repatriated or captured after having voluntarily returned to the DPRK are accused of treason; those found to have had contacts with South Koreans or Christian missionaries are subjected to severe punishment, including the death penalty.

COMMISSION RECOMMENDATIONS

In recent years, an increasing number of foreign government officials, journalists, and representatives of NGOs have visited the DPRK and presented their observations about conditions in that country. At the same time, thousands of North Korean refugees have left the country with information on conditions there. However, the highly totalitarian state in North Korea still maintains such tight control over all aspects of state and society that garnering verifiable information about conditions in that country, as well as how the regime operates, is very difficult. This greatly

complicates the process of determining specific problem areas and, consequently, well-calibrated solutions.

The U.S. should make every effort to encourage the DPRK government to maintain its currently limited contacts with the outside world and to open the country to individuals, organizations, and governments concerned about the plight of the North Korean people and who want to help. At the same time, the U.S. government should, in its dialogue with the DPRK on issues of concern, also press the North Korean government to allow foreign human rights monitors and humanitarian agencies access to all parts of the country.

The Commission makes the following recommendations:

- The U.S. government should develop and support ways to provide information to the people of North Korea, including Voice of America and Radio Free Asia broadcasts, channels of people-to-people exchange, and other forms of contact with North Koreans, particularly on religious freedom and other human rights issues.
- The U.S. government should urge China, Russia, and other members of the international community to grant refugee status to North Koreans.
- The U.S. government should urge the Chinese government to allow South Koreans and international NGOs greater access to northern China and greater capacity to serve the needs of North Korean refugees.
- In any discussions regarding humanitarian assistance, the U.S. government should urge the North Korean government to allow considerable expansion of both the amount of assistance and the number of providers, which should include non-governmental organizations.
- With all humanitarian assistance to North Korea, the U.S. government should work to ensure that the delivery of such aid is adequately monitored. Monitors should be able to read, speak, and understand the Korean language. The United States should ensure that delivery of U.S. and other foreign aid is not misrepresented by the North Korean government through false claims that the aid is being provided by that government.
- The U.S. Congress should expand its funding for (a) organizations advocating the protection of human rights in North Korea and (b) activities that raise the awareness of human rights conditions in that country.
- The U.S. government should launch a major international initiative to expose and raise awareness of human rights abuses and humanitarian conditions in North Korea, including expanded U.S. government reporting, congressional engagement, and multilateral diplomacy.

Senator BROWNBACK. The hearing is adjourned.

[Whereupon, at 3:34 p.m., the subcommittee adjourned, to reconvene subject to the call of the Chair.]

